

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

China Liberal Education Holdings Limited
(Exact Name of Registrant as Specified in Its Charter)

Cayman Islands

(State or Other Jurisdiction of
Incorporation or Organization)

8200

(Primary Standard Industrial
Classification Code Number)

N/A

(I.R.S. Employer
Identification Number)

Jianxin Zhang, Chief Executive Officer
China Liberal Education Holdings Limited
Huateng Century Park Headquarters,
Building A, Level 2
Beijing, PRC
+86-10-6597-8118

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Hunter Taubman Fischer & Li LLC
1450 Broadway, 26th Floor
New York, NY 10018
(212) 530-2206

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

Ying Li, Esq.
Guillaume de Sampigny, Esq.
Hunter Taubman Fischer & Li LLC
1450 Broadway, 26th Floor
New York, NY 10018
(212) 530-2206

Elizabeth F. Chen, Esq.
Pryor Cashman LLP
7 Times Square
New York, NY 10036
(212) 326-0199

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date hereof.

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

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

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

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

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

Emerging growth company

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

CALCULATION OF REGISTRATION FEE

| Class of Securities to be Registered | Amount to be Registered | Proposed Maximum Offering Price per Share | Proposed Maximum Aggregate Offering Price | Amount of Registration Fee |
|--|-------------------------------|---|---|----------------------------------|
| Ordinary Shares, par value \$0.001 per share ⁽¹⁾⁽²⁾ | 1,166,667 | \$ 6.00 | \$ 7,000,000 | \$ 848.40 |
| Ordinary Shares, par value \$0.001 per share ⁽⁴⁾ | 66,666 | \$ 6.00 | \$ 399,996 | \$ 48.48 |
| Underwriter Warrants ⁽²⁾⁽³⁾ | 81,667 | - | - | - |
| Ordinary Shares underlying Underwriter Warrants ⁽³⁾ | 81,667 | \$ 6.00 | \$ 490,000 | \$ 59.39 |
| Total | 1,315,001 | | \$ 7,889,996 | \$ 956.27 |

- (1) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rule 457(a) under the Securities Act of 1933, as amended (the “Securities Act”). There is no current market for the securities or price at which the shares are being offered.
- (2) Pursuant to Rule 416 under the Securities Act, there is also being registered hereby such indeterminate number of additional Ordinary Shares of the Registrant as may be issued or issuable because of stock splits, stock dividends, stock distributions, and similar transactions.
- (3) We have agreed to issue to Boustead Securities, LLC (the “Underwriter”) warrants to purchase the number of ordinary shares (the “Underwriter Warrants”) in the aggregate equal to seven percent (7%) of the shares sold at closing of the offering. The Underwriter Warrants will be exercisable at any time, and from time to time within five (5) years from the effective date of this registration statement, in whole or in part, but may not be transferred nor may the shares underlying the warrants be sold until 180 days from the effective date of the offering. The exercise price of the Underwriter Warrants is equal to the public offering price per share in the offering. The Underwriter Warrants are with a cashless provision and shall be non-callable and non-cancelable with immediate piggy-back registration rights.
- (4) This Registration Statement also covers the resale under a separate resale prospectus (the “Resale Prospectus”) by selling shareholder of the Registrant of up to 66,666 Ordinary Shares issued to the selling shareholder as named in the Resale Prospectus.

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

EXPLANATORY NOTE

This Registration Statement contains two prospectuses, as set forth below.

- Public Offering Prospectus. A prospectus to be used for the public offering of 1,166,667 shares of ordinary shares of the Registrant (the “Public Offering Prospectus”) through the underwriter named on the cover page of the Public Offering Prospectus.
- Resale Prospectus. A prospectus to be used for the resale by the selling shareholder set forth therein of 66,666 shares of ordinary shares of the Registrant (the “Resale Prospectus”).

The Resale Prospectus is substantively identical to the Public Offering Prospectus, except for the following principal points:

- they contain different outside and inside front covers and back covers;
- they contain different Offering sections in the Prospectus Summary section beginning on page 1;
- they contain different Use of Proceeds sections on page 33;
- a Selling Shareholder section is included in the Resale Prospectus;
- a Selling Shareholder Plan of Distribution is included in the Resale Prospectus; and
- the Legal Matters section in the Resale Prospectus deletes the reference to counsel for the underwriter.

The Registrant has included in this Registration Statement a set of alternate pages after the back cover page of the Public Offering Prospectus (the “Alternate Pages”) to reflect the foregoing differences in the Resale Prospectus as compared to the Public Offering Prospectus. The Public Offering Prospectus will exclude the Alternate Pages and will be used for the public offering by the Registrant. The Resale Prospectus will be substantively identical to the Public Offering Prospectus except for the addition or substitution of the Alternate Pages and will be used for the resale offering by the selling shareholder.

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

**SUBJECT TO COMPLETION,
PRELIMINARY PROSPECTUS DATED AUGUST 5, 2019**

**1,166,667 Ordinary Shares
China Liberal Education Holdings Limited**



This is an initial public offering of our ordinary shares. We are offering our ordinary shares, US\$0.001 par value per share (“Ordinary Shares”). Prior to this offering, there has been no public market for our Ordinary Shares. We expect the initial public offering price will be \$6.00 per Ordinary Share. We have reserved the symbol “CLEU” for purposes of listing our Ordinary Shares on the Nasdaq Capital Market (“NASDAQ”) and plan to apply to list our Ordinary Shares on NASDAQ. There is no guarantee or assurance that our Ordinary Shares will be approved for listing on NASDAQ.

Investing in our Ordinary Shares involves a high degree of risk, including the risk of losing your entire investment. See “Risk Factors” beginning on page 8 to read about factors you should consider before buying our Ordinary Shares.

We are an “emerging growth company” as defined under the federal securities laws and will be subject to reduced public company reporting requirements. Please read the disclosures beginning on page 3 of this prospectus for more information.

| | PER SHARE | TOTAL |
|---|------------------|--------------|
| Initial public offering price | \$ 6.00 | \$ 7,000,000 |
| Underwriting discounts and commissions ⁽¹⁾ | \$ 0.42 | \$ 490,000 |
| Proceeds, before expenses, to us | \$ 5.58 | \$ 6,510,000 |

(1) We have agreed to issue, on the closing date of this offering, underwriter’s warrants to the Underwriter in an amount equal to 7% of the aggregate number of ordinary shares sold by us in this offering. For a description of other terms of the Underwriter’s warrants and a description of the other compensation to be received by the Underwriter, see “Underwriting” beginning on page 114.

Neither the Securities and Exchange Commission nor any state securities commission nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

You should not assume that the information contained in the registration statement to which this prospectus is a part is accurate as of any date other than the date hereof, regardless of the time of delivery of this prospectus or of any sale of the Ordinary Shares being registered in that registration statement of which this prospectus forms a part.

No dealer, salesperson or any other person is authorized to give any information or make any representations in connection with this Offering other than those contained in this prospectus and, if given or made, the information or representations must not be relied upon as having been authorized by us. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any security other than the securities offered by this prospectus, or an offer to sell or a solicitation of an offer to buy any securities by anyone in any jurisdiction in which the offer or solicitation is not authorized or is unlawful.

This offering is being conducted on a firm commitment basis. The underwriter, Boustead Securities, LLC, is obligated to take and pay for all of the shares if any such shares are taken. We have granted the Underwriter an option for a period of 45 days after the closing of this offering to purchase up to 15% of the total number of our ordinary shares to be offered by us pursuant to this offering (excluding shares subject to this option), solely for the purpose of covering over-allotments, at the initial public offering price less the underwriting discount. If the underwriter exercises the option in full, the total underwriting discounts and commissions payable will be \$0.42 based on an assumed offering price of \$6.00 per ordinary share, and the total gross proceeds to us, before underwriting discounts and commissions and expenses, will be \$7,000,000. If we complete this offering, net proceeds will be delivered to us on the closing date. We will not be able to use such proceeds in China, however, until we complete capital contribution procedures which require prior approvals, registration or filings, i.e., making a filing with the local branch of China’s Ministry of Commerce, and registering with the local branch of the State Administration for Market Regulation, and the approval of and registration with a local bank authorized by the State Administration of Foreign Exchange. See remittance procedures in the section titled “Use of Proceeds” beginning on page 33.

The underwriter expects to deliver the Ordinary Shares against payment as set forth under “Underwriting”, on or about [●], 2019.



The date of this prospectus is [], 2019.

About this Prospectus

This prospectus is part of a registration statement we filed with the SEC. We and the Underwriter have not authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses prepared by us or on our behalf or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted or where the person making the offer or sale is not qualified to do so or to any person to whom it is not permitted to make such offer or sale. The information contained in this prospectus is current only as of the date on the front cover of the prospectus. You should not assume that the information contained in this prospectus, any prospectus supplement or the documents incorporated by reference are accurate as of any date other than their respective dates, regardless of the time of delivery of this prospectus or of any sale of the Ordinary Shares. Our business, financial condition, results of operations and prospects may have changed since that date.

Unless otherwise indicated or the context requires otherwise, references in this prospectus to:

- “Affiliated Entities” are to our subsidiaries;
- “Boya Hong Kong” are to China Boya Education Group Co., Limited, a Hong Kong limited liability company;
- “China” or the “PRC” are to the People’s Republic of China, excluding Taiwan and the special administrative regions of Hong Kong and Macau for the purposes of this prospectus only;
- “China Liberal Beijing” or “PRC Subsidiary” are to China Liberal (Beijing) Education Technology Co., Ltd., a PRC limited liability company and our operating subsidiary;
- “China Liberal” are to China Liberal Education Holdings Limited, a Cayman Islands exempted company;
- “Company,” “we” and “us” are to one or more of China Liberal Education Holdings Limited, and its Affiliated Entities, as the case may be;
- “EAP” are to Australia English for Academic Purposes, which prepares international students for vocational or tertiary-level study in Australia and other contexts where English is the language of instruction, and it aims to develop student awareness, knowledge and skills in the use of English as the language of teaching and learning in a vocational and/or university environment;
- “FMP” are to Fuzhou Melbourne Polytechnic;
- “FUT” are to Fujian University of Technology;
- “FPEC” are to Fujian Preschool Education College;
- “IELTS” are to International English Language Testing System, an international standardized test of English language proficiency for non-native English language speakers, and accepted by most Australian, British, Canadian and New Zealand academic institutions;
- “IGEC” are to International General Education Courses, a Sino-foreign joint education program developed and introduced by the Chinese Service Center for Scholarly Exchange, a public organization under the Ministry of Education of the PRC, in order to improve the overall reform and internationalization of PRC’s higher education;
- “ISEC” are to International Scholarly Exchange Curriculum, a PRC government sponsored and highly profiled program affiliated with the China Scholarship Council directly under the Ministry of Education in the PRC;
- “NZTC” are to New Zealand Tertiary College;
- “shares,” “Shares,” or “Ordinary Shares” are to the Ordinary Shares of the Company, par value US\$0.001 per share;
- “Sino-foreign Jointly Managed Academic Programs” are to education programs offered by joint ventures of the PRC and foreign institutions;
- “TOEFL” are to Test of English as Foreign Language, an international standardized test of English language proficiency for non-native English language speakers, and commonly accepted by American academic institutions; and
- “Yi Xin BVI” are to Yi Xin International Investment Limited, a company incorporated in the British Virgin Islands.

Our business is conducted by China Liberal Beijing in the PRC, using Renminbi, or RMB, the currency of China. Our consolidated financial statements are presented in United States dollars. In this prospectus, we refer to assets, obligations, commitments and liabilities in our consolidated financial statements in United States dollars. These dollar references are based on the exchange rate of RMB to United States dollars, determined as of a specific date or for a specific period. Changes in the exchange rate will affect the amount of our obligations and the value of our assets in terms of United States dollars which may result in an increase or decrease in the amount of our obligations (expressed in dollars) and the value of our assets, including accounts receivable (expressed in dollars).

TABLE OF CONTENTS

| | Page |
|--|-------------|
| <u>PROSPECTUS SUMMARY</u> | 1 |
| <u>SUMMARY FINANCIAL DATA</u> | 5 |
| <u>CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</u> | 7 |
| <u>RISK FACTORS</u> | 8 |
| <u>ENFORCEABILITY OF CIVIL LIABILITIES</u> | 32 |
| <u>USE OF PROCEEDS</u> | 33 |
| <u>DIVIDEND POLICY</u> | 35 |
| <u>CAPITALIZATION</u> | 36 |
| <u>DILUTION</u> | 37 |
| <u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u> | 38 |
| <u>INDUSTRY</u> | 57 |
| <u>BUSINESS</u> | 68 |
| <u>REGULATIONS</u> | 83 |
| <u>MANAGEMENT</u> | 88 |
| <u>EXECUTIVE COMPENSATION</u> | 91 |
| <u>PRINCIPAL SHAREHOLDERS</u> | 92 |
| <u>RELATED PARTY TRANSACTIONS</u> | 93 |
| <u>DESCRIPTION OF SHARE CAPITAL</u> | 94 |
| <u>SHARES ELIGIBLE FOR FUTURE SALE</u> | 106 |
| <u>TAXATION</u> | 107 |
| <u>UNDERWRITING</u> | 114 |
| <u>EXPENSES RELATING TO THIS OFFERING</u> | 117 |
| <u>LEGAL MATTERS</u> | 118 |
| <u>CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE</u> | 118 |
| <u>EXPERTS</u> | 118 |
| <u>INTEREST OF NAMED EXPERTS AND COUNSEL</u> | 118 |
| <u>DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION</u> | 118 |
| <u>WHERE YOU CAN FIND MORE INFORMATION</u> | 118 |
| <u>INDEX TO FINANCIAL STATEMENTS</u> | F-1 |

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements included elsewhere in this prospectus. In addition to this summary, we urge you to read the entire prospectus carefully, especially the risks of investing in our Ordinary Shares, discussed under “Risk Factors,” before deciding whether to buy our Ordinary Shares.

Unless otherwise indicated, all dollar amounts included herein are recorded in United States dollars.

Unless otherwise indicated, all share amounts and per share amounts in this prospectus have been presented giving effect to a stock split of our Ordinary Shares at a ratio of 1,000-for-1, which occurred on July 8, 2019, and an issuance of 3,999,000 Ordinary Shares on July 15, 2019.

Our Business

Overview

We are an exempted company incorporated in the Cayman Islands on February 25, 2019. Through our operating company, China Liberal (Beijing) Education Technology Co., Ltd., or China Liberal Beijing, incorporated in the PRC on August 10, 2011, we are an educational service provider operating under the “China Liberal” brand in the PRC. Our mission is to provide China’s students with the tools to excel in a global environment. We strive to meet the needs of the ever growing number of young talents in China.

We provide a wide variety of educational services and products intended to address the needs of our partnering schools and our students:

- Services provided under Sino-foreign jointly managed academic programs (“Sino-foreign Jointly Managed Academic Programs”), which services represent the core of our business;
- Overseas study consulting services (“Overseas Study Consulting Services”);
- Technological consulting services provided to targeted Chinese universities to improve their campus information and data management system and to optimize their teaching, operating and management environment, creating a “smart campus”; these consulting services include campus intranet solution buildout, school management software customization, smart devices (mainly Internet of things, or IoT devices, extending the Internet connectivity to physical devices) installation and testing, and school management data collection and analysis, all of which can be specifically tailored to meet a client’s particular needs (“Technological Consulting Services for Smart Campus Solutions”); and
- Tailored job readiness training to graduating students (“Integration of Enterprises and Vocational Education”), acting as the key bridge between our partner schools and employers. However, we did not start generating revenue from this line of business until January 2019.

We also develop and provide textbooks and other course materials to students enrolled under the Sino-foreign Jointly Managed Academic Programs to ensure the quality of students’ learning outcomes.

We started generating revenue in the year ended December 31, 2012 through our services provided under certain Sino-foreign Jointly Managed Academic Programs. We continued to maintain and expand this core business throughout the years, giving us revenues stream of \$2,821,602 and \$2,410,781 for the years ended December 31, 2017, and 2018, respectively, representing 72.6% and 50.11% of our net revenues for those respective years. A vast majority of these revenues derives from our two major partners, Fuzhou Melbourne Polytechnic, or FMP and Minjiang University. Additionally, since we started our Overseas Study Consulting Services in 2017, this line of business has been a source of growing revenue. We generated \$60,947 and \$547,521 in revenues from our Overseas Study Consulting Services for the years ended December 31, 2017 and 2018, respectively, representing a sharp increase from 2% to 11% of our total revenue of that respective year. We also started generating revenues from our Technological Consulting Services for Smart Campus Solutions business in 2017, with revenues of \$950,992 and \$1,820,974, representing 25% and 38% for the years ended December 31, 2017 and 2018, respectively. We did not generate any revenue from our Integration of Enterprises and Vocational Education business because this line of business was newly added in December 2018.

We started our operations in Beijing where our headquarters are located. We established our first branch in Fujian Province in 2011 and subsequently expanded to various locations in the PRC, covering the cities of Hangzhou, Fuzhou and Ji’nan on the east coast of China.

As of the date of this prospectus, there is no public trading market for our Ordinary Shares and there is no assurance that a trading market for our Ordinary Shares will ever develop.

Competitive Strengths

We believe that the following competitive strengths enhance our position in the PRC market:

- Innovative and visionary management team with a proven track record;
- Innovative, flexible and cost-effective smart campus solutions; and
- Strong and experienced sales team with a focus on art students.

Business Strategy

We intend to continue to generate revenue from our core businesses, while expanding to related territories maximizing our existing resources, as well as striving to meet the needs of our clients. We intend to diversify our income model in the coming years by growing our four lines of business simultaneously. We are dedicated to enabling our students to capture life-changing opportunities by delivering transformative education services and by working with our partners. Our goal is to become a nationally recognized education services company that offers modernized and internationalized higher education solutions to students, with a focus on academic areas of art and computer science. We intend to achieve our goal by pursuing the following strategies:

- Continue to invest in technology and leverage our intellectual property;
- Offer our smart campus solutions to a growing number of partnering schools;
- Expand our focus to include computer science major;
- Continue to invest in sales and marketing activities to recruit art students for our one-on-one consulting services;
- Expand classroom-based pre-session training services based on our current proven one-on-one consulting model; and
- Establish our own-branded schools.

Our History and Corporate Structure

China Liberal Education Holdings Limited, or China Liberal, was incorporated in the Cayman Islands on February 25, 2019.

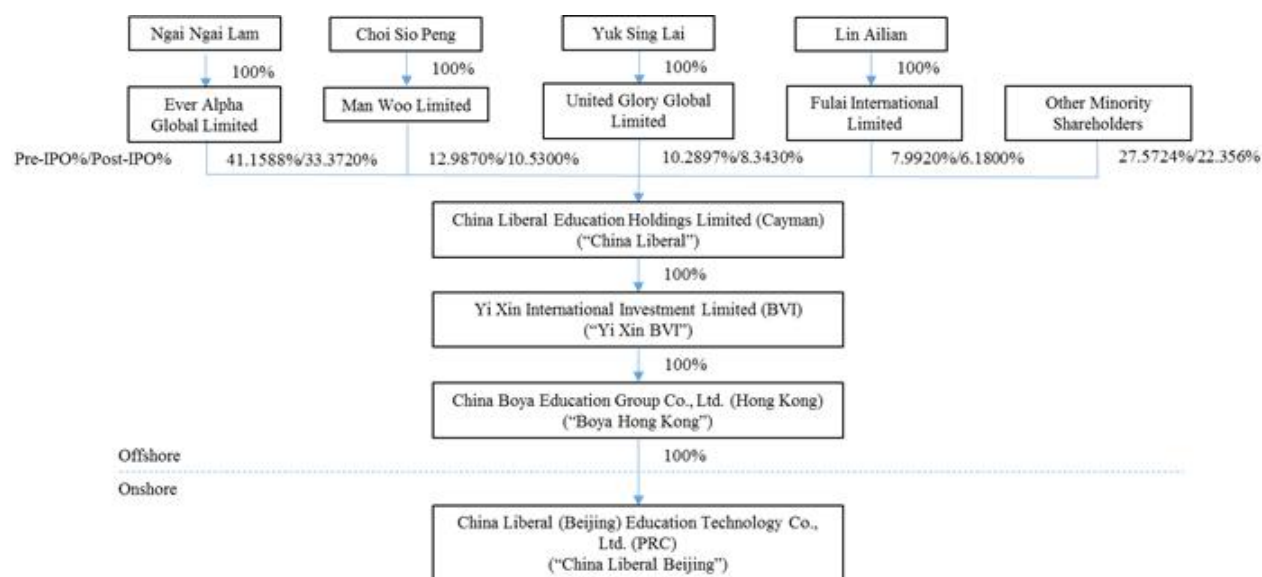
On July 8, 2019, our shareholders approved a stock split of our outstanding Ordinary Shares at a ratio of 1,000-for-1, which will be effective immediately. All references to Ordinary Shares, options to purchase Ordinary Shares, share data, per share data, and related information have been retroactively adjusted, where applicable, in this prospectus to reflect the split of our Ordinary Shares as if it had occurred at the beginning of the earlier period presented.

On July 15, 2019, our sole director approved a stock issuance increasing our Ordinary Shares by 3,999,000 to 5,000,000, effective immediate. All references to Ordinary Shares, options to purchase Ordinary Shares, share data, per share data, and related information have been retroactively adjusted, where applicable, in this prospectus to reflect the split of our Ordinary Shares as if it had occurred at the beginning of the earlier period presented.

As of the date of this prospectus, our authorized share capital is \$50,000 divided into 50,000,000 ordinary shares. We directly hold 100% of the equity interests of Yi Xin International Investment Limited, a company incorporated in the British Virgin Islands (“Yi Xin BVI”), which in turn holds 100% of China Boya Education Group Co., Limited, a Hong Kong limited liability company (“Boya Hong Kong”). Boya Hong Kong originally holds 91.1772% equity interests of China Liberal Beijing, our PRC operating entity. On February 1, 2019, Boya Hong Kong entered into share transfer agreements with each of the non-controlling shareholders of China Liberal Beijing and completed the acquisition of the 8.8228% non-controlling interest in China Liberal Beijing. After these transactions, Boya Hong Kong owns 100% interest of China Liberal Beijing.

We commenced our operations in August 2011 through China Liberal Beijing.

The following diagram illustrates our corporate structure as of the date of this prospectus and upon completion of the Offering based on 1,166,667 Ordinary Shares being offered:



Corporate Information

Our principal executive office is located at Huateng Century Park Headquarters, Building A, Level 2, Beijing, PRC, and our phone number is +86-10-6597-8118. We maintain a corporate website at <http://www.chinaliberal.com>. The information contained in, or accessible from, our website or any other website does not constitute a part of this prospectus.

Implications of Being an “Emerging Growth Company”

As a company with less than \$1.07 billion in revenue during our last fiscal year, we qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An “emerging growth company” may take advantage of reduced reporting requirements that are otherwise generally applicable to public companies. In particular, as an emerging growth company, we:

- may present only two years of audited financial statements and only two years of related Management’s Discussion and Analysis of Financial Condition and Results of Operations, or MD&A;
- are not required to provide a detailed narrative disclosure discussing our compensation principles, objectives and elements and analyzing how those elements fit with our principles and objectives, which is commonly referred to as “compensation discussion and analysis”;
- are not required to obtain an attestation and report from our auditors on our management’s assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002;
- are not required to obtain a non-binding advisory vote from our shareholders on executive compensation or golden parachute arrangements (commonly referred to as the “say-on-pay,” “say-on frequency” and “say-on-golden-parachute” votes);
- are exempt from certain executive compensation disclosure provisions requiring a pay-for-performance graph and CEO pay ratio disclosure;
- are eligible to claim longer phase-in periods for the adoption of new or revised financial accounting standards under §107 of the JOBS Act; and
- will not be required to conduct an evaluation of our internal control over financial reporting until our second annual report on Form 20-F following the effectiveness of our initial public offering.

We intend to take advantage of all of these reduced reporting requirements and exemptions, including the longer phase-in periods for the adoption of new or revised financial accounting standards under §107 of the JOBS Act. Our election to use the phase-in periods may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the phase-in periods under §107 of the JOBS Act.

Under the JOBS Act, we may take advantage of the above-described reduced reporting requirements and exemptions for up to five years after our initial sale of common equity pursuant to a registration statement declared effective under the Securities Act, or such earlier time that we no longer meet the definition of an emerging growth company. The JOBS Act provides that we would cease to be an “emerging growth company” if we have more than \$1.07 billion in annual revenues, have more than \$700 million in market value of our Ordinary Share held by non-affiliates, or issue more than \$1 billion in principal amount of non-convertible debt over a three-year period.

THE OFFERING

Following is a brief summary of this Offering.

| | |
|--|---|
| Ordinary Shares outstanding prior to the completion of this Offering | 5,000,000 Ordinary Shares |
| Ordinary Shares offered by us | 1,166,667 Ordinary Shares |
| Ordinary Shares Outstanding Immediately After the Offering | 6,166,667 Ordinary Shares assuming no exercise of the underwriters' over-allotment option and excluding 81,667 ordinary shares underlying the underwriters' warrants. |
| Price per Ordinary Shares | We currently estimate that the initial public offering price will be \$6.00 per ordinary share. |
| Use of proceeds | We intend to use the proceeds from this offering for working capital and general corporate purposes, including investment in smart campus solutions, research and development, integration of enterprises and vocation education and establishment of big data calculation training school. See "Use of Proceeds" for more information. |
| Proposed Nasdaq Symbol | "CLEU" |
| Transfer Agent | Transhare Corporation |
| Risk Factors | An investment in the Ordinary Shares is subject to a number of risks. You should carefully consider the information set forth in the "Risk Factors" section below and the other sections of this Prospectus, in addition to the documents included in and/or incorporated by reference in the registration statement to which this Prospectus forms a part. |

SUMMARY FINANCIAL DATA

The following table sets forth selected historical statements of operations for the years ended December 31, 2018 and 2017, and balance sheet data as of December 31, 2018 and 2017, which have been derived from our consolidated audited financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in the future. You should read this data together with our consolidated financial statements and related notes appearing elsewhere in this prospectus as well as “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” appearing elsewhere in the prospectus.

Selected Statements of Operations Information:

| | For the years ended December 31, | |
|---|-------------------------------------|-------------------|
| | 2018 | 2017 |
| REVENUE, NET | \$ 4,808,993 | \$ 3,885,886 |
| COST OF REVENUE | 2,702,297 | 2,161,322 |
| GROSS PROFIT | <u>2,106,696</u> | <u>1,724,564</u> |
| OPERATING EXPENSES | | |
| Selling expenses | 704,060 | 541,424 |
| General and administrative expenses | 579,500 | 408,762 |
| Total operating expenses | <u>1,283,560</u> | <u>950,186</u> |
| INCOME FROM OPERATIONS | <u>823,136</u> | <u>774,378</u> |
| OTHER INCOME | | |
| Interest income | 88,926 | 70,743 |
| Other income, net | 180,191 | 187,794 |
| Total other income, net | <u>269,117</u> | <u>258,537</u> |
| INCOME BEFORE INCOME TAXES | <u>1,092,253</u> | <u>1,032,915</u> |
| INCOME TAX PROVISION | <u>167,813</u> | <u>158,109</u> |
| NET INCOME | <u>924,440</u> | <u>874,806</u> |
| Less: net income attributable to non-controlling interest | 81,779 | 5,800 |
| NET INCOME ATTRIBUTABLE TO THE COMPANY | <u>\$ 842,661</u> | <u>\$ 869,006</u> |

Selected Balance Sheet Information:

| | As of December 31, | |
|--|---------------------------|---------------------|
| | 2018 | 2017 |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 2,077,166 | \$ 7,970 |
| Accounts receivable, net | 833,174 | 632,724 |
| Contract receivable, net | 960,237 | 160,270 |
| Advance to suppliers | 19,885 | 1,529,865 |
| Loan receivable | - | 1,997,726 |
| Due from a related party | 72,700 | - |
| Prepaid expenses and other current assets | 286,052 | 169,864 |
| TOTAL CURRENT ASSETS | 4,249,214 | 4,498,419 |
| Property and equipment, net | 101,205 | 68,155 |
| Contract receivable, net | 1,617,186 | 684,780 |
| TOTAL NONCURRENT ASSETS | 1,718,391 | 752,935 |
| TOTAL ASSETS | \$ 5,967,605 | \$ 5,251,354 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 121,558 | \$ 171,976 |
| Deferred revenue | 149,560 | 104,181 |
| Taxes payable | 244,142 | 177,722 |
| Due to related parties | 22,591 | 14,956 |
| Accrued expenses and other current liabilities | 178,175 | 171,526 |
| TOTAL CURRENT LIABILITIES | 716,026 | 640,361 |
| COMMITMENTS AND CONTINGENCIES | | |
| SHAREHOLDERS' EQUITY | | |
| Ordinary shares, \$0.001 par value, 50,000,000 shares authorized; 5,000,000 shares issued and outstanding* | 5,000 | 5,000 |
| Additional paid in capital | 4,579,116 | 1,643,527 |
| Statutory reserve | 294,158 | 201,468 |
| Retained earnings | 88,967 | 2,274,585 |
| Accumulated other comprehensive income (loss) | (234,237) | 26,746 |
| Total China Liberal's equity | 4,733,004 | 4,151,326 |
| Non-controlling interest | 518,575 | 459,667 |
| Total shareholders' equity | 5,251,579 | 4,610,993 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 5,967,605 | \$ 5,251,354 |

* The Company issued 5,000,000 ordinary shares in the aggregate in July 2019. These shares are presented on a retroactive basis to reflect the nominal share issuance.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including sections entitled “Prospectus Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operation” and “Business,” contains forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- implementation of our business strategy;
- our anticipated capital requirements and future operating performance; and
- our use of the net proceeds from this Offering.

Any statements that relate to future events or conditions, including, without limitation, the statements included in this prospectus that are not historical facts, that relate to industry prospects and that concern our prospective results of operations or financial position, may be deemed to be forward-looking statements. Often, however, our uses of the words “believe,” “anticipate,” “plan,” “expect,” “intend” and similar expressions will identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. Although we believe that the expectations reflected in the forward-looking statements contained in this prospectus are reasonable, these statements represent our current expectations and are inherently uncertain. The factors discussed above under “Risk Factors,” among others, could cause actual results, levels of activity, performance or achievements to differ materially from those indicated by these forward-looking statements. Forward-looking statements represent our views as of the date of this prospectus. While we may elect to update these forward-looking statements in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change. For all of these reasons, you should not unduly rely on any forward-looking statements.

RISK FACTORS

You should consider carefully all of the information in this prospectus, including the risks and uncertainties described below and our consolidated financial statements and related notes, before making an investment in our Ordinary Shares. Any of the following risks and uncertainties could have a material adverse effect on our business, financial condition, results of operations and prospects. The market price of our Ordinary Shares could decline significantly as a result of any of these risks and uncertainties, and you may lose all or part of your investment.

Risks Related to Our Business

We partner with a limited number of Chinese host universities for certain Sino-foreign Jointly Managed Academic Programs and our revenues are concentrated from a limited number of major partners. If we are not able to continue to secure agreements with some or all of our existing partners, or secure new agreements with additional partners, our results of operations and financial condition may be materially and adversely affected.

Our revenues generated under Sino-foreign Jointly Managed Academic Programs represented 72.6% and 50.11% of our net revenues for the years ended December 31, 2017 and 2018, respectively. Although we continue to introduce new projects and to diversify our core business, the Sino-foreign Jointly Managed Academic Programs we actively service still generated a majority of our net revenues. In addition, for 2017 and 2018, we generated a vast majority of our Sino-foreign Jointly Managed Academic Program revenues from our major partners, Fuzhou Melbourne Polytechnic, or FMP and Minjiang University. We expect that this line of business will continue to generate approximately one-third of our annual net revenue in the next three years. During the years ended December 31, 2017 and 2018, we operated five such programs with four universities. However, we have ceased or will cease to provide services in connection with two of the existing programs because we assessed that these two programs are not profitable. More specifically, we have ceased to offer our courses under the International Scholarly Exchange Curriculum program with Fujian University of Technology, or the FUT ISEC Program, after the then existing students graduated in July 2018. We will cease to offer our courses under the New Zealand Tertiary College Program with Fujian Preschool Education College, or the NZTC Program, after the existing students graduate in July 2019. Despite our long term working relationships with FMP and Minjiang University, one or more of these universities may decide to terminate their agreements with us and discontinue our cooperation for reasons such as expiration of Sino-foreign program permits, a change or expiration of programs, students' inability to achieve the targeted level of language proficiency, undersubscription of students due to a global economic down-turn or otherwise, or simply decline to renew the agreements upon their expiration. If any of these situations occur, we cannot assure you that we will be able to timely secure other cooperation agreements with other programs, if at all, and therefore, our results of operations and financial condition may be materially and adversely affected.

The services we provide under the Sino-foreign Jointly Managed Academic Programs may be subject to regulatory and policy changes, as well as the continuous approval of and supervision by relevant PRC authorities.

We provide services to Sino-foreign Jointly Managed Academic Programs offered by our partner schools. According to PRC laws and regulations, schools offering Sino-foreign Jointly Managed Academic Programs are required to obtain permits to operate schools from the relevant education authorities or the authorities that regulate labor and social welfare in the PRC, depending on the type of diploma or degrees granted. The Sino-foreign Jointly Managed Academic Programs we service are subject to approvals by the Ministry of Education, or MOE. Additionally, these programs are subject to continuous supervision by relevant PRC authorities, including the MOE, the Ministry of Human Resources and Social Security and their local counterparts. Such supervision may include a verification system for the foreign degrees/diplomas awarded by Sino-foreign Jointly Managed Academic Programs, and an annual report system and periodic evaluation system for those Sino-foreign institutions and programs that offer undergraduate or higher degrees.

In 2018, the MOE approved the termination of certain Sino-foreign Jointly Managed Academic Programs as a move to improve quality, tighten regulatory control, and promote reforms in China's educational systems. Such actions were taken because problems had appeared in institutions and projects (none of which we service) that were previously approved by the relevant authorities. These problems included insufficient utilization of high quality educational resources, low instructional quality, weak specialized capabilities in academic departments, lack of content-based development mechanisms, low student satisfaction and poor attractiveness of programs. These problems made it difficult for those institutions and projects to continue operating and they were therefore closed down. This action by the MOE was taken to close down institutions and projects that were originally approved but at the time of termination did not have enrolled students any more. Thus, this action was also taken to improve the overall quality of the industry. In light of this, Fujian Province, the province where all of the Sino-foreign Jointly Managed Academic Programs we service are located, set a minimum score for English (as a subject) for those students who are applying for any four-year Sino-foreign joint programs that offer undergraduate degrees. As a result of these new regulatory controls and policy adjustments, even though none of the programs we service were terminated by MOE, overall student recruiting and enrollment under our Sino-foreign joint education programs was negatively impacted, because some potential candidates could not meet the minimum score for English. For example, student enrollments under our joint education programs with Strait College of Minjiang University actually decreased by 300 students from 2017 to 2018 due to the higher eligibility requirements for students to enroll in any Sino-foreign joint education programs in Fujian Province. We cannot assure you that the local government in Fujian Province or the MOE will not set an even higher eligibility standard for students to enroll in these joint education programs in the future, in which case our student enrollment numbers, result of operations and financial conditions may be negatively impacted.

Our partnering schools have the ability to withhold our portion of tuition payments in certain circumstances, and to the extent that our portion is withheld, our revenue, results of operations and financial condition may be materially and adversely affected.

Our results of operations are directly affected by the level of the tuition we charge to our students. Typically, students pay to the Sino-foreign Joint Managed Academic Programs tuition fees ranging from RMB15,000 (approximately US\$2,268) to RMB28,000 (approximately US\$4,233) per student per academic school year. As a result of us servicing our partnering schools, we are entitled to receive approximately 30% to 50% of such student tuitions. Our contracts with Chinese host universities/colleges provide that (1) the host universities/colleges will withhold the tuition collected from students for one to three months after the academic school year starts in September, and then remit the portion of tuition fees to us after the student headcounts have been finalized, and (2) the portion of tuition fee that we are entitled to receive is calculated based on the final actual number of students retained with the universities/colleges after any student dropout has been adjusted. Accordingly, any tuition refund has already been deducted by host universities/colleges before we receive our portion of the tuition fees. For accounting purposes, at the beginning of each academic school year, we initially accrue the estimated refund based on an historical 1% student dropout rate, and make subsequent true-up adjustments after the final number of students retained with the host universities/colleges is determined. Such adjustments were immaterial for the years ended December 31, 2018 and 2017.

However, our ability to receive our portion of tuition fee from Chinese host universities/colleges largely depends on whether Chinese host universities/colleges are satisfied with our teaching services, or whether we can maintain positive communication with Chinese host universities/colleges to resolve any service deficiency on a timely manner. Any extended tuition withholding or delayed tuition payment to us from Chinese host universities/colleges due to our service deficiency, may materially affect our revenue, results of operations and financial condition.

We rely heavily on the continuous reputation of our partnering schools in order to attract and maintain a significant number of students enrolled in our courses offered in these schools.

We partner with schools to provide courses within Sino-foreign Jointly Managed Academic Programs, including offering language courses and/or major specific courses to their students who intend to study abroad. These schools then pay us directly based on the headcount of the students enrolled in the Sino-foreign Jointly Managed Academic Programs. If these schools experience a decrease in the number of their enrolled students due to student or parent dissatisfaction, negative publicity, poor track records, or other disruption of their reputation out of our control, they may experience withdrawals of currently enrolled students and a decrease in the enrollment of prospective students, which could in turn materially and adversely affect our results of operations and financial condition.

If one or more of the Sino-foreign Jointly Managed Academic Programs were to lose their Sino-foreign program permits, our results of operations and financial condition may suffer substantially.

Universities or colleges who host Sino-foreign programs in the PRC are required to obtain and maintain Sino-foreign program permits from the appropriate education authorities at the PRC central government, provincial, municipal or local level, depending on the certifications required to offer these programs. We cannot assure you that the Sino-foreign Jointly Managed Academic Programs we service will maintain their permits in good standing within the permit periods, or that these permits will be renewed or extended after the permit periods. If one or more of the Sino-foreign Jointly Managed Academic Programs were to lose their Sino-foreign program permits and we are not able to timely secure new partnering programs, our results of operations and financial condition may suffer substantially.

Our track record of successfully assisting students to obtain student visas to study abroad may fall and satisfaction with our consulting services may otherwise decline.

The success of our business depends on our students' ability to obtain student visas for their overseas study. Although almost all of our students were granted student visas in the past, we cannot ensure that our students will be granted student visas and be accepted to overseas schools at rates we have experienced in the past, and parents and students may not be satisfied with our ability to help students gain admission to universities. Any such negative developments could result in a student's withdrawal or decrease in future enrollment, and therefore, our business, financial condition and results of operations may be materially and adversely affected.

Changes to immigration policies in the countries our students plan to attend schools in may negatively affect our results of operations and financial condition.

A significant portion of our business relies upon our students' confidence in, among other things, their ability to obtain student visas from the countries they intend to study in, including Italy and Germany. We cannot assure you that immigration policies of the popular destination countries among our students will remain the same or become friendlier to overseas students, and there is no assurance that our students will be granted visas to study in the countries of their choices. Any such negative developments could result in a student's withdrawal or decrease in future enrollment, and therefore, our business, financial condition and results of operations may be materially and adversely affected.

If we fail to increase student enrollments, our net revenues may decline, and we may not be able to maintain growth.

Our growing one-on-one consulting services offered to students (mostly art students) generate revenue from the tuition we collect from these students. It is critical for us to enroll prospective students in a cost-effective manner. Some of the factors, many of which are largely beyond our control, could prevent us from successfully increasing enrollments of new students in a cost-effective manner, or at all. These factors include, among other things, (i) reduced interest in the degrees, professions or schools which our services are targeting (art and computer science); (ii) improved quality and number of art schools in the PRC; (iii) the inability of students to pay tuition; (iv) increasing market competition, particularly price reductions by competitors that we are unable or unwilling to match; and (v) adverse changes in relevant government policies or general economic conditions. If one or more of these factors reduce market demand for our services, our student enrollments could be negatively affected or our costs associated with student acquisition and retention could increase, or both, any of which could materially affect our ability to grow our gross billings and net revenues. These developments could also harm our brand and reputation, which would negatively impact our ability to expand our business.

If fewer Chinese students, particularly art students, choose to study abroad, demand for our international program may decline.

One of the principal drivers of the growth of our business is the increasing number of Chinese students, particularly art students who choose to study abroad, reflecting the growing Chinese students demand for higher education in overseas countries. As such, any restrictive changes in immigration policy, terrorist attacks, geopolitical uncertainties and any international conflicts involving countries of popular demand could make it more difficult for Chinese students to obtain student visas to study overseas, or decrease the appeal of studying in such countries to Chinese students. Any significant changes in admission standards adopted by overseas educational institutions could also affect the demand for overseas education by Chinese students. Additionally, Chinese students may also become less attracted to studying abroad for other reasons, such as improving domestic educational or employment opportunities associated with increased economic development in China. These factors could cause declines in the demand for our international program, which may adversely affect our revenue and profitability.

We cannot assure you that the new China Liberal-branded schools that we intend to open in Beijing and in Italy will be opened as scheduled, if at all.

We intend to open our own branded schools in Beijing at our current headquarters as well as in Italy later in 2019. However, we cannot assure you that either or both schools can obtain permits or licenses, if required, can enroll the viable number of students to ensure profits, can hire qualified teachers to teach the courses, or for our Italian location, can successfully cooperate with our local partner. Failure to accomplish any one or more of these factors could substantially delay the schools' openings, if the schools can be opened at all, and our results of operations and financial prospects may suffer substantially.

Our smart campus solutions may not be accepted by the intended users of our products, which could harm our future financial performance.

There can be no assurance that our smart campus solutions systems will achieve wide acceptance by our intended users, including management, teachers, and students of our current and future partnering schools. The degree of acceptance for products and services based on our technology will also depend upon a number of factors, such as whether we are able to meet and exceed the expectation of our users in speed and safety, availability of various functions, user-friendliness and the ability to integrate different user platforms and data. Long-term subscription of our products and services will also depend, in part, on the capabilities and operating features of our products and technologies as compared to those of other available products and services. As a result, there can be no assurance that currently available solutions will be able to achieve revenue growth or profitability, which could harm our future financial performance.

We depend upon the development of new solutions and enhancements to existing solutions for our current and future partnering schools. If we fail to predict and respond to emerging technological trends and clients' and intended users' changing needs, our operating results and market share may suffer.

The market for our smart campus solutions is characterized by rapidly changing technology, evolving industry standards, new product introductions, and evolving methods of building and maintaining our products. Our operating results depend on our ability to develop and introduce innovative products and to maintain the integrated system we have implemented. The process of developing new technology, including Software as a Service, or SaaS model cloud computing technology, more programmable, flexible and virtual networks, and technology related to other market transitions- such as security, digital transformation and IoT and IoE (Internet of Everything), and cloud- is complex and uncertain, and if we fail to accurately predict clients' and intended end users' changing needs and emerging technological trends our business could be harmed.

We may need to commit significant resources, including monetary investments and developer personnel to developing new products before knowing for sure whether such investments will result in products the intended end users' will accept. Similarly, our business could be harmed if we fail to develop, or fail to develop in a timely fashion, offerings to address other evolving needs, or if the offerings addressing these other transitions that ultimately succeed are based on technology, or an approach to technology, different from ours. In addition, our business could be adversely affected in periods surrounding the launch of new products if customers delay their purchasing decisions to evaluate the new product offerings.

Furthermore, we may not execute successfully on our vision or strategy because of challenges with regard to product planning and timing, technical hurdles that we fail to overcome in a timely fashion, or a lack of necessary resources. This could result in competitors, some of which are technology giants in the PRC, providing those solutions before we do, which in turn, causes us loss of market share, revenue, and earnings.

Historically, the gross margin from the smart campus solutions line of business was lower than our other lines of business, and we cannot assure you that such line of business will be profitable in the foreseeable future, if at all.

Historically, the gross margin from the smart campus solutions line of business was lower than our other lines of business, with gross margin of 6.5% in 2017 and gross margin of 19.7% in 2018. This is due to the nature of the smart campus solutions business, that is, higher cost associated with the customization of software, higher hardware facilities and device costs, and higher investment into the research and development of the technology serving the smart campus solutions. We cannot assure you that the profit margin will become higher in the future. Therefore, there can be no assurance that we can generate income from the smart campus solutions line of business, or that any income that we achieve can be sustained.

We provide our technology consulting services to a limited number of schools for their smart campus solutions, and if we are not able to continue to secure agreements with some or all of these schools, or secure new agreements with other schools, our results of operations and financial condition may be materially and adversely affected.

Currently, we provide our technology consulting services to two universities for smart campus hardware and software build-out or servers upgrade. We also provide smart campus solutions equipment procurement and installment services to three other universities. However, one or more of these universities may decide to terminate their agreements with us for reasons such as dissatisfaction of our services, a change of programs or curriculum, hiring of in-house tech support personnel, or simply not to choose us as their service provider after a project is completely. If any of these situations occur, we cannot assure you that we will be able to timely secure other service agreements with other schools, if at all, and therefore, our results of operations and financial condition may be materially and adversely affected.

Our reputation in the job readiness training market relies heavily upon the student-employees trained by us remaining in their respective positions and performing in a satisfactory manner, which is not within our control. If these student-employees are not able to stay in their respective positions for a reasonable amount of time or are consistently not able to meet the employers' criteria, our reputation in the job readiness training market may suffer.

While our job readiness training services are highly tailored in order to train the student-employees to meet the specific requirements of our contracted employers, there may be situations not within our control which may lead to a student-employee's leaving his/her position before the end of required length of services. Such situations may include a student-employee's voluntary resignation without good reason or his/her violation of the employer's internal guidelines and rules. Although such situations are not within our control, our reputation may be damaged if similar situations occur repeatedly.

We do not generate revenues under our job readiness training until a student is successfully placed and we will not be fully paid by the employer until such student-employee stay with the employer for a set period of time. If a student-employee fails to stay in his/her position for an agreed upon amount of time, our results of operations and financial condition may be materially and adversely affected.

Our business model under the job readiness training line of business is such that we will not start generating revenues until a student is successfully placed and starts working for the target employer. Once these conditions have been met, the employer will start paying us monthly starting at the end of the first month of employment for the fixed period of time set forth in our agreement with the employer. However, if a student-employee leaves due to voluntary resignation without good reason or is asked to leave before the end of the applicable length of services, we will not be compensated for the remaining months that such student-employee is not providing services. Although we typically sign a separate agreement with a student before providing training services whereby the student is required to pay us for any of such remaining months, we cannot assure you that he/she will perform this obligation fully according to such agreement, in which case our results of operations and financial condition may be materially and adversely affected.

We have grown steadily and expect to continue to invest in our growth for the foreseeable future. If we fail to manage this growth effectively, the success of our business model will be compromised.

We have experienced steady growth in net revenues in recent years, primarily driven by the diversifying of our core business while leveraging our network of trusted schools. Our net revenues grew by 22.8% from RMB 21 million (\$3,163,302) in 2016 to RMB 26.26 million (\$3,885,886) in 2017 and further increased by 23.8% to RMB 31.82 million (\$4,808,993) in 2018.

Our growth may place a significant strain on our sales and marketing capacities, administrative and operating infrastructure, facilities and other resources. To maintain our growth, we need to continue to acquire more partnering Sino-foreign programs or institutes, enroll more students, increase our academic and administrative faculty, as well as further developing and strengthening our software and systems. We will also be required to refine our operational, financial and management controls and reporting systems and procedures. If we fail to efficiently manage this expansion of our business, our costs and expenses may increase more than anticipated and we may not successfully attract a sufficient number of students and qualified academic and administrative faculty in a cost-effective manner, respond to competitive challenges, or otherwise execute our business plans. In addition, we may, as part of carrying out our growth strategies, adopt new initiatives to offer additional course packages and educational content and to implement new pricing models and strategies. We cannot assure you that these initiatives may achieve the anticipated results. These proposed changes may not be well received by our existing and prospective students, in which case their experience with our education services may suffer, which could damage our reputation and business prospect.

Our ability to effectively implement our strategies and manage any significant growth of our business will depend on a number of factors, including our ability to: (i) effectively market our products and services to potential partners and students with sufficient growth potential; (ii) develop and improve educational content to appeal to existing and prospective partners and students; (iii) maintain and increase our student enrollments; (iv) effectively recruit, train and motivate a large number of new employees, including our faculty members, foreign teachers and sales and marketing personnel; (v) successfully implement enhancements and improvements to our software and systems; (vi) continue to improve our operational, financial and management controls and efficiencies; (vii) protect and further develop our intellectual property rights; and (viii) make sound business decisions in light of the scrutiny associated with operating as a public company. These activities require significant capital expenditures and investment of valuable management and financial resources, and our growth will continue to place significant demands on our management. There are no guarantees that we will be able to effectively manage any future growth in an efficient, cost-effective and timely manner, or at all. Our growth in a relatively short period of time is not necessarily indicative of results that we may achieve in the future. If we do not effectively manage the growth of our business and operations, our reputation, results of operations and overall business and prospects could be negatively impacted.

If we are unable to conduct sales and marketing activities cost-effectively, our results of operations and financial condition may be materially and adversely affected.

We rely heavily on our sales and marketing efforts to increase student enrollment. Our sales and marketing expenses consist primarily of employee salaries and student enrollment. We incurred approximately \$541,424 and \$704,060, respectively, in sales and marketing expenses in 2017 and 2018. We expect our sales and marketing expenses to continue to increase in the future as we further expand our operations.

Our sales and marketing activities may not be well received by the market and may not result in the levels of sales that we anticipate. We also may not be able to retain or recruit a sufficient number of experienced sales and marketing personnel, or to train newly hired sales and marketing personnel, which we believe is critical to implementing our sales and marketing strategies cost-effectively. Further, sales and marketing approaches and tools in China's private education market are evolving rapidly. This requires us to continually enhance our sales and marketing approaches and experiment with new methods to keep pace with industry developments and student preferences.

Failure to engage in sales and marketing activities in a cost-effective manner may reduce our market share, cause our revenues and gross billings to decline, negatively impact our profitability, and materially harm our business, financial condition and results of operation.

Part of our core business is seasonal and we have increased risk from disruption during peak periods which makes our operating results difficult to predict.

We derive a significant portion of our net revenues from our Sino-foreign Jointly Managed Academic Programs, which typically occur around the commencement of an academic year in October and November. In addition, we typically see a "rush" to subscribe to our one-on-one consulting services by art students in June to December due to the annual registration cycle of overseas art schools, and thus, our net revenues from this core business fluctuate substantially accordingly. In addition, payments from our technology consulting services provided under the smart campus solutions typically settle at the end of a calendar year. Any shortfalls or disruptions in our operations during these peak periods, therefore, will have a disproportionately large impact on our annual operating results and the potential future growth of our business.

As a result of this seasonality, which corresponds to the academic calendar, our revenues fluctuate significantly quarter to quarter depending upon the timing of where we are in our "rush" cycle and sequential quarter-over-quarter comparisons of our revenues and operating results are to some extent not likely to be meaningful. In addition, our operating results from these two core businesses for any given quarter cannot be used as an accurate indicator of our results for the year. In particular, we anticipate that our ability to accurately forecast financial results for future periods will be most limited at the time we present our third quarter financial results, which will generally occur after the "rush" to subscription to our one-on-one courses in the spring and precede the fall academic year.

We base our operating expense budgets on expected net revenue trends. Operating expenses, similar to revenues and cost of revenues, fluctuate significantly quarter to quarter due to the seasonality of our business and are generally higher during the first and second quarters as we incur marketing expense in connection with our peak periods before the registration deadlines for art schools overseas as well as at the beginning of each academic year in the PRC. As a result, sequential quarterly comparison of our financial results has not been meaningful. We expect our seasonality to shift as a result of our continuous diversifying of our business by offering and maintaining our smart campus solution. Further, a portion of our expenses, such as office space lease obligations and personnel costs, are largely fixed and are based on our expectations of our peak levels of operations. We also intend to start enrolling students and offering preparation services to more art students on a much larger scale by operating our own branded schools in the PRC and in Italy, from which we expect more revenues to offset potential shortfall during off-peak periods. Nonetheless, we expect to continue to incur significant marketing expenses during peak periods and to have fixed expenses for office space and personnel and as such, we may be unable to adjust spending quickly enough to offset any unexpected revenues shortfall. Accordingly, any shortfall in net revenues may cause significant variation in operating results in any quarter.

We face regulatory risks and uncertainties surrounding PRC laws and regulations governing the education industry in general, including the amendments to the Implementation Rules for the Law for Promoting Private Education.

Our provision of Overseas Study Consulting Services offered language and art training to students, as advised by Tian Yuan Law Firm, our PRC legal counsel, is not considered running a private school, because we are not currently engaging in education that would lead to the issuance of a diploma, pre-school education, study assistance to students enrolled to take examinations for specific courses in order to obtain college degrees without attending conventional classroom-based universities, other cultural education or training of professional skills, or vocational qualifications, and thus, we are not a private school. Therefore, we are not required to hold a private school permit required under the Law for Promoting Private Education (2018) and the Implementation Rules for the Law for Promoting Private Education (2004) (collectively, “Private Education Law”).

Our plan to open and operate a China Liberal school, i.e., a for-profit private school, will subject us to the Private Education Law. Nonetheless, as advised by Tian Yuan Law Firm, the current PRC laws and regulations, including the Private Education Law, remain unclear as to whether the requirement for a private school operating permit is applicable to us, because in practice, private schools providing language and art training are usually not required to hold this permit.

The issuance of the draft submitted for approval for the amendment to the Implementation Rules for the Law for Promoting Private Education (the “MOJ Draft Amendments”) will make it clear that our planned China Liberal school in the PRC will not require a permit or approval, because this school will be providing language and art training to students, which is exempted from a permit or approval, and only a regular business recording with authority is required.

Nevertheless, we cannot assure you that the MOJ Draft Amendments will be adopted into law in its entirety without any revisions. Therefore, we cannot assure you that we will not be required to obtain a private school operating permit in the future. If the PRC government requires us to obtain a private school operating permit, and if we fail to do so and still operate the school, we may be subject to monetary fines up to five times the illegitimate gains generated from the provision of training services without a proper license, other administrative sanctions, such as being ordered to stop conducting our educational activities, refund tuition payments to the students, or criminal liabilities, for our lack of a private school operating permit.

We may also be subject to regulatory requirements that are more stringent than the ones currently applicable to us, including those relating to sales and marketing, courses and educational content offerings, teachers’ qualification, as well as tuition fee rates and tuition refund policies, or laws and regulations that require us to obtain and maintain additional licenses and permits, and we may incur substantial expenses or alter or change our business to comply with these requirements.

We face regulatory risks and uncertainties associated with our teachers’ lack of teaching qualifications.

Pursuant to the Detailed Rules for the Implementation of Supervision and Administration of For-profit Private Schools issued by the Ministry of Education, the Ministry of Human Resources and Social Security and the then State Administration for Industry and Commerce (the “Detailed Rules”), teachers employed by a for-profit private school shall obtain teaching licenses or hold relevant professional skill qualifications. The Detailed Rules do not specifically provide whether “teachers”, “tutors”, or however they may be called in practice (collectively, “teachers”) of non-school tutoring institutions shall obtain teaching licenses or other relevant teaching qualifications. However, the Detailed Rules require that for-profit private tutoring institutions shall also be regulated by reference to the Detailed Rules. Further, PRC laws and regulations do not explicitly set forth what “relevant professional skill qualifications” other than teaching licenses the teachers in private schools or tutoring institutions shall obtain. In practice, there may be various interpretations and implementations by local education authorities as to whether and what qualifications are to be obtained by such teachers.

As advised by Tian Yuan Law Firm, our PRC counsel, we do not believe that we are subject to the regulations of for-profit private schools because we do not provide education for diploma, pre-school education, study assistance to students enrolled to take examinations for specific courses in order to obtain college degrees without attending conventional classroom-based universities, other cultural education or training of professional skills, or vocational qualifications. However, since we also deliver language and art training to prepare students for their studies abroad, we may be deemed a for-profit tutoring institution by local education authorities. In such case, we may be subject to the Detailed Rules, and thus, our teachers may be required to obtain relevant professional skill qualifications by local education authorities. Although we have been maintaining high standards to recruit skilled and qualified employees, we cannot assure you that the teachers responsible for the foregoing language and art training would obtain all relevant qualifications required by local education authorities from time to time.

As of the date of this prospectus, we have not received any notice of warning or been subject to any penalties or disciplinary action from government authorities due to the teachers’ lack of qualifications. In the event that our teachers are required by laws or local education authorities to obtain certain specific qualifications, we may not be able to ensure that our teachers do so timely, if at all. Therefore, we may be ordered to rectify such noncompliance or subject to penalties under the then-effective PRC laws and regulations, in which case our business may be disrupted, and our financial condition, reputation and prospects would be materially and adversely affected.

Our failure to obtain and maintain approval and permit related to publishing and selling our textbooks could have a material adverse impact on our business, financial conditions and results of operations.

Pursuant to PRC laws and regulations related to publication, the publication and sale of our textbooks require government approval and permit, even though we limit the use of our textbooks to students enrolled under some of our Sino-foreign Jointly Managed Academic Programs. We have not applied for such government approval or permit. Although we are a course provider printing and distributing our own teaching materials at a small scale without obtaining any permit for publication and distribution, and although as of the date of this prospectus, we have not been subject to any fines or other form of regulatory or administrative penalties or sanctions due to the lack of any the above-mentioned approvals or permits, we cannot guarantee that the government authorities will not impose any penalties or sanctions on us in the future for any incompliance in the past, which may include fines, mandates to remedy any violations, confiscation of the gains derived from the services for which approval or permit is required, an order to cease to provide such services and/or criminal liabilities, in which case, we could be subject to operational disruption and our financial condition and results of operations could be adversely affected.

We have a limited history of operating some of our business lines.

We have been operating the Sino-foreign Jointly Managed Academic Programs since 2011. However, we have only been offering one-on-one consulting services and technological consulting services for smart campus solutions since 2017, and job readiness training since late 2018. Our limited history of operating part or all of our business may not serve as an adequate basis for evaluating our future prospects and operating results, including gross billings, net revenue, cash flows and profitability.

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

Our faculty members are key to the quality of our educational services, as well as our brand and reputation. Our ability to continue to attract faculty members with the necessary experience and qualifications is a key driver in the success of our business. We seek to recruit qualified faculty members who are dedicated to teaching and are able to stay up-to-date with ever-changing teaching methods and approaches.

Additionally, given that our services are provided to students with goals to study abroad, we tend to hire teachers with strong education background and qualifications. The market for the recruitment of faculty members in the PRC is competitive. In order to attract and recruit talents, we must provide candidates with competitive compensation packages and offer attractive career development opportunities. Although we have not experienced major difficulties in recruiting or training qualified teachers in the past, we cannot guarantee that we will be able to continue to recruit, train and retain a sufficient number of qualified faculty members in the future as we continue to expand our business, which may have a material adverse effect on our business, financial condition and results of operations.

Our failure to obtain and maintain permit related to human resources services could have a material adverse impact on our business, financial conditions and results of operations.

Pursuant to the Interim Regulations on Human Resources Market, effective as of October 1, 2018, any for-profit human resources service provider shall obtain approval from the administrative department of human resources and social security to conduct human resources services. We recommend foreign teachers based on certain standards found in our agreements with partner universities or programs. We recommended three foreign teachers in 2016, three foreign teachers in 2017 and one foreign teacher in 2018, which may subject us to the qualification requirements of a human resources services provider. However, we have ceased to recommend new foreign teachers since 2019. Besides, as of the date of this prospectus, we have not been subject to any fines or other form of regulatory or administrative penalties or sanctions due to the lack of such approval or permit. Nevertheless, due to the broad provisions and discretionary implementation of the PRC laws, we cannot guarantee that the government authorities will not impose any penalties or sanctions on us in the future for any incompliance in the past, which may include fines, mandates to remedy any violations, confiscation of the gains derived from the services for which approval or permit is required, and/or an order to cease to provide such services, in which case, we could be subject to operational disruption and our financial condition and results of operations could be adversely affected.

Failure to adequately and promptly respond to changes in the exams our students must take or in the requirements our students must meet to pursue their desired degrees or schools could cause our education services to be less attractive to our students.

There have been continuous changes in the curriculum requirements associated with, and the format of, the exams our existing and prospective students must take to pursue their desired degrees or schools, the manner in which the exams are administered, topics frequently tested in the exams, as well as the materials and documents students must submit for admission. These changes require us to continually update and enhance our course offerings, our educational and consultancy content and our teaching methods. Any inability to track and respond to these changes in a timely and cost-effective manner would make our education services less attractive to students, which may materially and adversely affect our reputation and ability to continue to attract students without a significant decrease in our tuition.

Delays or failures in responding to issues raised by end users of our platforms could harm our operations.

The performance and reliability of our platforms used by management, teachers and students is critical to our operations and reputation. We provide our campus management, teaching and/or learning platforms to our partnering schools and we rely on our end users to promptly give us feedback regarding their user experience as well as any issues in connection with such platforms. However, there may be delay in feedback from these end users, or delay or failure on our end to address such issues. These could damage our reputation, decrease end user satisfaction, negatively impact our current cooperating relationships, adversely impact our ability to attract new partners, and materially disrupt our operations. If any of these occur, our business operations, reputation and prospects could be harmed.

Our business depends on the continued success of our brand “China Liberal,” and if we fail to maintain and enhance recognition of our brand, we may face difficulty enrolling new students, and our reputation and operating results may be harmed.

We believe that market awareness of our brand “China Liberal” has contributed significantly to the success of our business. Maintaining and enhancing our brand are critical to our efforts to grow our business. Failure to maintain and enhance our brand recognition could have a material and adverse effect on our business, operating results and financial condition. We have devoted significant resources to our brand promotion efforts in recent years, but we cannot assure you that these efforts will be successful. If we are unable to further enhance our brand recognition, or if we incur excessive marketing and promotion expenses, or if our brand image is negatively impacted by any negative publicity, our business and results of operations may be materially and adversely affected.

If we fail to effectively identify, pursue and consummate strategic alliances or acquisitions, our ability to grow and to achieve profitability could be impacted.

We may from time to time engage in evaluations of, and discussions with, possible domestic and international acquisition or alliance candidates, including our business partner Linguaviva Educational Group in Italy. We may not be able to identify suitable strategic alliances or acquisition opportunities, complete such transactions on commercially favorable terms, or successfully integrate business operations, infrastructure and management philosophies of acquired businesses and companies. There may be particular complexities, regulatory or otherwise, associated with our expansion into new markets, and our strategies may not succeed beyond our current markets. If we are unable to effectively address these challenges, our ability to execute acquisitions as a component of our long-term strategy will be impaired, which could have an adverse effect on our growth.

We face intense competition in our industry, which could divert student to our competitors, lead to pricing pressure and loss of market share, and significantly reduce our gross billings and net revenues.

China’s education market targeting students going overseas is intensely competitive. We compete with other Chinese education service providers engaged in Sino-foreign Jointly Managed Academic Programs and overseas study consultancy, for student enrollments and acquisition, high-quality academic and administrative faculty, and sales and marketing personnel, among other things. Some of our current and future competitors may have substantially greater name recognition and financial and other resources than we do, which may enable them to compete more effectively for potential students and decrease our market share. We also expect to face competition as a result of new entrants particularly those who provide consultancy services targeting art students.

We may not be able to compete successfully against current or future competitors and may face competitive pressures that could adversely affect our business or results of operations. The increasingly competitive landscape may also result in longer and more complex sales cycles with a prospective student or a decrease in our market share, any of which could negatively affect our gross billings and net revenues and our ability to grow our business.

If our security measures are breached or fail and result in unauthorized disclosure of data by our employees, we could lose existing partners, fail to attract new partners and be exposed to protracted and costly litigation.

Maintaining software and system security is of critical importance to our partnering schools and our end users because the system stores and transmits proprietary and confidential information, including sensitive personally identifiable information that may be subject to stringent legal and regulatory obligations. As a technology driven smart campus solutions provider, we face continuous security threats to our system, including unauthorized activity and access by our employees, system viruses, worms, malicious code and organized cyberattacks, which could breach our security and disrupt our business. We take the proprietary and confidential information of our Company, our partners and our end users seriously. Each of our employees is required to sign and abide by an employment agreement that contains standard confidentiality agreements. Our employees are also required to attend internal continuing training sessions. Additionally, our research and development personnel regularly monitor and maintain our software and system. We intend to, in the near future, establish a team of maintenance personnel to conduct real-time monitoring. These measures, however, may not be as effective as we anticipate. If our security measures are breached or fail as a result of third-party action, employee error, malfeasance or otherwise, we could be subject to liability or our business could be interrupted, potentially over an extended period of time. Any or all of these issues could harm our reputation, adversely affect our ability to maintain existing partners or attract prospective partners, or subject us to third-party lawsuits, regulatory fines or other action or liability. Further, any reputational damage resulting from breach of our security measures could create distrust of our company by prospective partners or investors. We may be required to expend significant additional resources to protect against the threat of these disruptions and security breaches or to alleviate problems caused by such disruptions or breaches.

We rely heavily on Aliyun, a cloud-based server provider to provide server service to us. Any interruption to such service could significantly disrupt our operations.

A vast majority of our data, codes and solutions is stored on the cloud-based service platform, Aliyun, we subscribe to. Although the use of such service is perceived to have lower risks than a conventional physical server, we may still face risks such as closure or discontinuity of services without adequate notice, financial difficulties (such as bankruptcy) faced by the server provider or their contractor(s), or any system vulnerability or security risk that are not timely fixed by Aliyun, which may have negative effects on our business, the nature and extent of which are difficult to predict.

Privacy concerns could limit our ability to collect and leverage our user data and disclosure of user data could adversely impact our business and reputation.

In the ordinary course of our business and in particular in connection with the technological consulting services provided under smart campus solutions, we collect and utilize data supplied by our users. We currently face certain legal obligations regarding the manner in which we treat such information. Increased regulation of data utilization practices, including self-regulation or findings under existing laws that limit our ability to collect, transfer, integrate and use data, could have an adverse effect on our business. Failure to comply with these obligations could subject us to liability, and to the extent that we need to alter our business model or practices to adapt to these obligations, we could incur additional expenses.

Our success depends on the continuing efforts of our senior management team and other key employees.

We depend on the continued contributions of our senior management and other key employees. The loss of the services of any of our senior management or other key employees could harm our business. Competition for qualified talents in the PRC is intense. If one or more of our senior management or other key employees are unable or unwilling to continue in their present positions, we may not be able to find replacements in a timely manner, or at all, and our business may be disrupted. Moreover, if any member of our senior management team or any of our other key personnel joins a competitor or forms or invests in a competing business, we may lose student enrollment, qualified teaching faculty members and other key sales and marketing personnel to our competitors. Our future success is also dependent on our ability to attract a significant number of qualified employees and retain existing key employees. If we are unable to do so, our business and growth may be materially and adversely affected. Our need to significantly increase the number of our qualified employees and retain key employees may cause us to materially increase compensation-related costs, including share-based compensation.

We may from time to time be subject to infringement claims relating to intellectual properties of third parties.

We cannot assure you that our course offerings, educational contents, textbooks, software and platforms do not or will not infringe upon copyrights or other intellectual property rights held by third parties. We may encounter disputes from time to time over rights and obligations concerning intellectual properties, and we may not prevail in those disputes.

We have adopted policies and procedures to prohibit our users, students and employees from infringing upon third-party copyright or intellectual property rights. However, we cannot ensure that they will not, against our policies, use third-party copyrighted materials or intellectual property without proper authorization. We may incur liability for unauthorized duplication or distribution of materials posted used in our classes or posted on our platforms. Any intellectual property infringement claim could result in costly litigation and divert our management attention and resources, which in turn could negatively affect our business, financial condition and prospect.

If we fail to protect our intellectual property rights, our brand and business may suffer.

We rely on a combination of copyright, trademark and trade secret laws and restrictions on disclosure to protect our intellectual property rights. Although we seek to obtain copyright or trademark protection for our intellectual property when applicable, it is possible that we may not be able to do so successfully or that the copyright or trademark we have obtained may not be sufficient to protect all of our intellectual property rights. In particular, we rely, to a significant extent, upon our educational content developed in-house, including textbooks and teaching materials, course syllabi and outlines, quiz banks, and teaching notes, to provide high-quality education services. Additionally, we have developed and will continue to develop and maintain our copyrighted software offered within our smart campus solution. Despite our efforts to protect our intellectual property rights, unauthorized parties may attempt to copy or duplicate our intellectual property or otherwise use our intellectual properties without obtaining our consent. For example, unauthorized third parties may use our “China Liberal” brand to operate similar businesses, or to make illegal copies of our textbooks and teacher materials for market resale. Monitoring unauthorized use of our intellectual property is difficult and costly, and we cannot be certain that the steps we have taken will effectively prevent misappropriation of our intellectual properties. If we are not successful in protecting our intellectual property rights, our business and results of operations may be adversely affected.

Our end users may engage in intentional or negligent misconduct or other improper activities or misuse our software and systems, which could harm our brand and reputation.

We are exposed to the risk of fraud or other misconduct committed by the end users of our software and systems. The PRC laws governing the fair use of these third-party materials are imprecise and adjudicated on a case-by-case basis, which makes it challenging for us to adopt and implement policies governing these practices. We could, as a result, incur liability to third parties for the unauthorized duplication, distribution or other use of these materials. Any such claims could subject us to costly litigation and impose a significant strain on our financial resources and attention of management personnel regardless of whether the claims have merit. Additionally, we may be required to alter or cease our uses of such materials, which may include changing or removing content from courses or altering the functionality of our platform, or to pay monetary damages. Fraud or other misconduct by our students, employees or third parties may also involve engaging in unauthorized misrepresentation to our potential students and misappropriating third-party intellectual property and other proprietary rights during marketing activities, misusing sensitive personal information of our students, and engaging in bribery or other unlawful payments, any of which could result in customer complaints, regulatory and legal liabilities, as well as serious harm to our brand and reputation.

If we fail to implement and maintain an effective system of internal controls, we may be unable to accurately or timely report our results of operations or prevent fraud, and investor confidence and the market price of our Ordinary Shares may be materially and adversely affected.

Prior to this offering, we were a private company with limited accounting personnel and other resources with which to address our internal controls and procedures. Our management has not completed an assessment of the effectiveness of our internal controls over financial reporting, and our independent registered public accounting firm has not conducted an audit of our internal control over financial reporting. In the course of auditing our consolidated financial statements as of December 31, 2018 and for the year ended December 31, 2018, we and our independent registered public accounting firm identified four material weaknesses in our internal control over financial reporting and other control deficiencies as of December 31, 2018. A “material weakness” is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis.

The material weaknesses identified relate to (i) a lack of accounting staff and resources with appropriate knowledge of generally accepted accounting principles in the United States (“U.S. GAAP”) and SEC reporting and compliance requirements; (ii) a lack of sufficient documented financial closing policies and procedures; (iii) a lack of independent directors and an audit committee; and (iv) a lack of an effective review process by the accounting manager.

Following the identification of the material weaknesses and control deficiencies, we plan to continue to take remedial measures including (i) hiring more qualified accounting personnel with relevant U.S. GAAP and SEC reporting experience and qualifications to strengthen the financial reporting function and to set up a financial and system control framework; (ii) implementing regular and continuous U.S. GAAP accounting and financial reporting training programs for our accounting and financial reporting personnel; (iii) setting up an internal audit function as well as engaging an external consulting firm to assist us with assessment of Sarbanes-Oxley compliance requirements and improvement of overall internal control; and (iv) appointing independent directors, establishing an audit committee, and strengthening corporate governance.

We have taken measures and plan to continue to take measures to remedy these material weaknesses. The implementation of these measures may not fully address the material weaknesses in our internal control over financial reporting, and we cannot conclude that they have been fully remedied. Our failure to correct these material weaknesses or our failure to discover and address any other material weaknesses could result in inaccuracies in our financial statements and could also impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. As a result, our business, financial condition, results of operations and prospects, as well as the trading price of our Ordinary Shares, may be materially and adversely affected. Moreover, ineffective internal control over financial reporting significantly hinders our ability to prevent fraud.

Upon the completion of this offering, we will become a public company in the United States subject to the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, will require that we include a report from management on our internal control over financial reporting in our annual report on Form 20-F beginning with our annual report for the fiscal year ending December 31, 2019. In addition, once we cease to be an “emerging growth company” as such term is defined in the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting. Our management may conclude that our internal control over financial reporting is not effective. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue a report that is qualified if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. In addition, after we become a public company, our reporting obligations may place a significant strain on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation testing and any required remediation.

During the course of documenting and testing our internal control procedures, in order to satisfy the requirements of Section 404, we may identify weaknesses and deficiencies in our internal control over financial reporting. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404. Generally speaking, if we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations and lead to a decline in the trading price of our Ordinary Shares, if and when they trade. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions.

Failure to qualify for or obtain any preferential tax treatments that are available in China could adversely affect our results of operations and financial condition.

The modified Enterprise Income Tax Law, effective on February 24, 2017, or the EIT Law, and its implementation rules generally impose a uniform income tax rate of 25% on all enterprises, but grant preferential treatment to “high and new technology enterprises strongly supported by the state,” or HNTEs, to enjoy a preferential enterprise tax rate of 15%. China Liberal Beijing is currently accredited as an HNTE. According to the relevant administrative measures, to qualify as an “HNTE,” China Liberal Beijing must meet certain financial and non-financial criteria and complete verification procedures with the administrative authorities. Continued qualification as an HNTE is subject to a three-year review by the relevant government authorities in China, and in practice certain local tax authorities also require annual evaluation of the qualification. In the event that China Liberal Beijing fails to obtain accreditation as HNTE or are not verified by the local tax authorities, it will be subject to the standard PRC enterprise income tax rate of 25%.

We will incur increased costs as a result of being a public company, particularly after we cease to qualify as an “emerging growth company.”

Upon completion of this offering, we will become a public company and expect to incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC and the NASDAQ, impose various requirements on the corporate governance practices of public companies. As a company with less than US\$1.07 billion in revenues for our last fiscal year, we qualify as an “emerging growth company” pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, in the assessment of the emerging growth company’s internal control over financial reporting. The JOBS Act also permits an emerging growth company to delay adopting new or revised accounting standards until such time as those standards apply to private companies.

After we are no longer an “emerging growth company,” we expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 and the other rules and regulations of the SEC. For example, as a result of becoming a public company, we will need to increase the number of independent directors and adopt policies regarding internal controls and disclosure controls and procedures. We also expect that operating as a public company will make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. In addition, we will incur additional costs associated with our public company reporting requirements. It may also be more difficult for us to find qualified persons to serve on our Board of Directors or as executive officers. We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate with any degree of certainty the amount of additional costs we may incur or the timing of such costs.

We may grant share incentives, which may result in increased share based compensation expenses.

We believe the granting of share-based awards is of significant importance to our ability to attract and retain key personnel and employees, and we may grant share-based awards in the future. As a result, we may start to incur expenses associated with share-based compensation, which may have an adverse effect on our results of operations.

Failure to make adequate contributions to various government-sponsored employee benefits plans as required by PRC regulations may subject us to penalties.

Companies operating in China are required to participate in various government-sponsored employee benefit plans, including certain social insurance, housing funds and other welfare-oriented payment obligations, and contribute to the plans in amounts equal to specified percentages of salaries, including bonuses and allowances, of employees up to a maximum amount specified by the local government from time to time at locations where our employees are based. The requirements of employee benefit plans have not been implemented consistently by the local governments in China given the different levels of economic development in different regions. We did not pay, or were not able to make, certain social insurance or housing fund contributions for all of our employees and the amount we paid was lower than the requirements of relevant PRC regulations. Our failure in making contributions to social security and housing providence fund plans and in complying with applicable PRC labor-related laws may subject us to penalties and/or late payment fees, as the case maybe, in addition to the payment of outstanding contributions for these plans, e.g., the failure to contribute full payment to the social security funds and subsequent refusal to make up the payment within specified time limit may lead to fines amounting to one to three times the unpaid amount. If we are subject to late fees or fines in relation to the underpaid employee benefits, our financial condition and results of operations may be adversely affected. In addition, to the extent that we can make a reasonable estimate of the liability arising from our failure in making full contributions to various employee benefit plans, we record a related contingent liability. However, the amount of our estimates may be inaccurate, in which case our financial condition and cash flow may be adversely affected if we were to pay late fees or fines in relation to the underpaid employee benefits.

Increases in labor costs in the PRC may adversely affect our business and results of operations.

The currently effective PRC Labor Contract Law was first adopted on June 29, 2007 and later amended on December 28, 2012. The PRC Labor Contract Law has reinforced the protection of employees who, under the PRC Labor Contract Law, have the right, among others, to have written employment contracts, to enter into employment contracts with no fixed term under certain circumstances, to receive overtime wages and to terminate or alter terms in labor contracts. Furthermore, the PRC Labor Contract Law sets forth additional restrictions and increases the costs involved with dismissing employees. To the extent that we need to significantly reduce our workforce, the PRC Labor Contract Law could adversely affect our ability to do so in a timely and cost-effective manner, and our results of operations could be adversely affected. In addition, for employees whose employment contracts include noncompetition terms, the PRC Labor Contract Law requires us to pay monthly compensation after such employment is terminated, which will increase our operating expenses.

In addition, we are required by PRC laws and regulations to maintain social insurance registration and open housing fund accounts with the relevant governmental authorities and pay for various statutory employee benefits, including pensions, housing fund, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to designated government agencies for the benefit of our employees. The relevant government agencies may examine whether an employer has made adequate payments of the requisite statutory employee benefits, and those employers who fail to make adequate payments may be subject to late payment fees, fines and/or other penalties. If we fail to make adequate social insurance and housing fund contributions, we may be subject to fines and legal sanctions, and our business, financial condition and results of operations may be adversely affected. We expect that our labor costs, including wages and employee benefits, will continue to increase. Unless we are able to pass on these increased labor costs to our customers by increasing the prices of our products and services, our financial conditions and results of operations would be materially and adversely affected.

We may not be able to renew leases or control rent increases at our existing locations at reasonable terms.

We lease all real properties used by us, except our Hangzhou office, where we are allowed to use the office free of charge because of our cooperation relationship with China Academy of Art. We lease from Beijing Sino-U.S. Star International Film & Television Culture Media Co., Ltd. for our headquarters location, which is currently the location where we provide one-on-one consultancy services, as well as the location we intend to host our school in the near future.

The term of this lease is for four years, expiring May 31, 2022, and is renewable upon six months notice by the Company. However, there is no assurance that the lessor will agree to renew the lease at the level of rent or at a price that is acceptable to us. Similarly, leases for our Beijing Tongzhou District location and our Fuzhou location require us to re-negotiate in order to keep those leases, and the lease for our Ji'nan location does not set forth terms and provisions relating to renewal. Therefore, there is no assurance that the lessors of these locations will agree to sign new leases with us at the level of rent or at a price that is acceptable to us, if at all. There is also no assurance that China Academy of Art will continue to allow us to use their office free of charge. As a result, we may fail to reach agreements for rental prices or otherwise fail to continue to lease or use one or more of these properties. We may be forced to relocate the affected operations to a new location or pay substantially higher rent, which could involve substantial rent increases and material business interruptions.

In addition, we cannot assure you that the lessors or the owner of our offices have duly obtained the title certificates of the properties subject to our leases or otherwise have the right to lease the properties. If any of our leases or our rights to occupy and use were terminated as a result of challenges by third-parties or governmental authorities, we may be forced to relocate the affected operations and incur significant expenses. There is no assurance that we may find suitable replacement sites in a timely manner on terms acceptable to us.

As of the date of this prospectus, we are not aware of any actions, claims or investigations being contemplated by or pending before any governmental authorities with respect to our leased or occupied properties. We have not received any notice of claim from any third-party for our use of such leased or occupied properties. However, if any of these risks materializes, our business, financial condition and results of operations may be materially and adversely affected. See “Business—Facilities/Properties” for more information.

Accidents or injuries may occur at our properties, which could affect our reputation and student retention and enrollment.

We could be held liable for the accidents or injuries or other harm to students or other people at our locations, including those caused by or otherwise arising in connection with our facilities or employees. We could also face claims alleging that we were negligent, provided inadequate maintenance to our facilities or supervision to our employees and therefore should be held liable for accidents or injuries suffered by our students or other people at our schools. Our schools may be perceived to be unsafe, which may discourage prospective students from enrolling in our services. Although we maintain certain liability insurance, this insurance coverage may not be adequate to fully protect us from these kinds of claims. In addition, we may not be able to obtain liability insurance in the future at reasonable prices or at all. A liability claim against us or any of our employees could adversely affect our reputation and student enrollment and retention. Even if unsuccessful, such a claim could create unfavorable publicity, cause us to incur substantial expenses and divert the time and attention of our management.

We currently do not have any business insurance coverage.

Insurance companies in China currently do not offer as extensive an array of insurance products as insurance companies in more developed economies. Currently, we do not have any business liability or disruption insurance to cover our operations. We have determined that the costs of insuring for these risks and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. As a result, we do not have any liability, business interruption, litigation or property insurance coverage for our operations in China. Any uninsured business disruptions may result in our incurring substantial costs and the diversion of resources, which could have an adverse effect on our results of operations and financial condition.

We face risks related to natural disasters, extreme weather conditions, health epidemics and other catastrophic incidents, which could significantly disrupt our operations.

In the past, China has experienced significant natural disasters, including earthquakes, extreme weather conditions, as well as health scares related to epidemics, and any similar event could materially impact our business in the future. If a disaster or other disruption were to occur in the future that affects the regions where we operate our business, our operations could be materially and adversely affected due to loss of personnel, damages to property and insufficient student enrollments. Even if we are not directly affected, such a disaster or disruption could affect the operations or financial condition of our ecosystem participants, which could harm our results of operations.

In addition, our business could be affected by public health epidemics. If any of our employees or if one or more of our students who receive our services in person (for example, those students enrolled in our one-on-one consulting services program) is suspected of having contracted a contagious disease, we may be required to apply quarantines or suspend our operations. Furthermore, any future outbreak may restrict economic activities in affected regions, resulting in reduced business volume, temporary closure of our offices or other disruptions of our business operations and adversely affect our results of operations.

Risks Related to Our Corporate Structure

The beneficial owners have substantial influence over our Company. Their interests may not be aligned with the interests of the Company and our other shareholders, and these beneficial owners, if voting as a group, could prevent or cause a change of control or other transactions that could be beneficial to our Company and other minority shareholders.

As of the date of this prospectus, although no single shareholder currently own more than 41.16% of our outstanding Ordinary Shares, our beneficial owners Ngai Ngai Lam, Choi Sio Peng, Yuk Sing Lai and Lin Ailian beneficially own an aggregate of 72.4276% of our outstanding Ordinary Shares. Upon completion of this Offering, our beneficial owners will beneficially own approximately 3,621,380 Ordinary Shares, or approximately 59% of our outstanding Ordinary Shares.

Accordingly, these beneficial owners could have significant influence in determining the outcome of any corporate transaction or other matter submitted to the shareholders for approval, including mergers, consolidations, the election of directors and other significant corporate actions. In cases where their interests are aligned and they vote together, these beneficial owners will also have the power to prevent or cause a change in control. Without the consent of some or all of these shareholders, we may be prevented from entering into transactions that could be beneficial to us or our minority shareholders. The interests of these beneficial owners may differ from the interests of our other shareholders. The concentration in the ownership of our Ordinary Shares may cause a material decline in the value of our Ordinary Shares. For more information regarding our beneficial owners and their affiliated entities, see “Principal Shareholders.”

In the event we are presented with business combination opportunities, we may be unable to complete such transactions efficiently or on favorable terms due to complicated merger and acquisition regulations and certain other PRC regulations

On August 8, 2006, six PRC regulatory authorities, including MOFCOM, the State Assets Supervision and Administration Commission, SAT, the State Administration for Industry and Commerce, CSRC and SAFE, jointly issued the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (the “M&A Rules”), which became effective on September 8, 2006 and was amended in June 2009. The M&A Rules, governing the approval process by which foreign investors merge with PRC business entities or acquire PRC assets and/or equity interests in PRC business entities, require the PRC parties to make a series of applications and supplemental applications to PRC government authorities, depending on the structure of the transaction. In some instances, the application process may require presentation of economic data concerning a transaction, including appraisal of the target business and evaluation of the acquirer, which are designed to allow the government to assess the transaction. Accordingly, due to the M&A Rules, our ability to engage in cross-border business combination transactions has become significantly more complicated, time-consuming and expensive, and we may not be able to negotiate a transaction that is acceptable to our shareholders or sufficiently protect their interests in such transaction.

The M&A Rules allow PRC government agencies to assess the economic terms of a business combination transaction. Parties to a business combination transaction may have to submit to MOFCOM and other relevant government agencies an appraisal report, an evaluation report and the acquisition agreement, all of which form part of the application for approval, depending on the structure of the transaction. The M&A Rules also prohibit a transaction at an acquisition price obviously lower than the appraised value of the PRC business or assets in order to prevent disguised transfer of capital from China to foreign countries, and in certain structures, among others, in the structures where foreign investors merge with Chinese enterprises and establish foreign-invested enterprises, require that considerations must be paid within defined periods, generally not in excess of a year after the business license of the foreign-invested enterprise has been issued. In addition, the M&A Rules also limit our ability to negotiate various terms of the acquisition, including aspects of the initial consideration, contingent consideration, holdback provisions, indemnification provisions and provisions relating to the assumption and allocation of assets and liabilities. Transaction structures involving trusts, nominees and similar entities are prohibited. Moreover, the Anti-Monopoly Law of the People’s Republic of China, effective as of August 1, 2008, and relevant implementation rules require that the MOC be notified in advance of any of concentrations of undertaking if certain turnover thresholds are triggered. Besides, Notice of the General Office of the State Council on the Establishment of the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, issued on February 3, 2011 and became effective on March 3, 2011 establishes a security review system for merger and acquisition of domestic companies by foreign investors. These security review rules specify that mergers and acquisitions by foreign investors that raise “national defense and security” concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise “national security” concerns are subject to strict review by the MOC, and the rules prohibit any activities attempting to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. Therefore, such regulation may impede our ability to negotiate and complete a business combination transaction on legal and/or financial terms that satisfy our investors and protect our shareholders’ economic interests.

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

We are an exempted company incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, the Companies Law (2018 Revision) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against our directors, actions by our minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands have a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records or to obtain copies of lists of shareholders of these companies. Our directors have discretion under our articles of association that will become effective immediately prior to completion of this offering to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by our management, members of the board of directors or controlling shareholders than they would as public shareholders of a company incorporated in the United States. For a discussion of significant differences between the provisions of the Companies Law of the Cayman Islands and the laws applicable to companies incorporated in the United States and their shareholders, see “Description of Securities to be Registered.”

You may be unable to present proposals before annual general meetings or extraordinary general meetings not called by shareholders.

Cayman Islands law provides shareholders with only limited rights to convene a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company’s articles of association. Our articles of association allow our shareholders holding shares representing in aggregate not less than one third of our voting share capital in issue, to convene a general meeting of our shareholders, in which case our directors are obliged to call such meeting. Advance notice of at least ten clear days is required for the convening of our general meetings. A quorum required for a meeting of shareholders consists of at least one shareholder present or by proxy, representing not less than one-third in nominal value of the total issued voting shares in the Company.

Recently introduced economic substance legislation of the Cayman Islands may impact the Company or its operations

The Cayman Islands, together with several other non-European Union jurisdictions, have recently introduced legislation aimed at addressing concerns raised by the Council of the European Union as to offshore structures engaged in certain activities which attract profits without real economic activity. Effective January 1, 2019, the International Tax Co-operation (Economic Substance) Law, 2018 (the “Substance Law”) and issued Regulations and Guidance Notes came into force in the Cayman Islands introducing certain economic substance requirements for “relevant entities” which are engaged in certain “relevant activities,” which in the case of exempted companies incorporated before January 1, 2019, will apply in respect of fiscal years commencing July 1, 2019, onwards. A “relevant entity” includes an exempted company incorporated in the Cayman Islands; however, it does not include an entity that is tax resident outside the Cayman Islands. Accordingly, for so long as the Company is a tax resident outside the Cayman Islands, it is not required to satisfy the economic substance test. Although it is presently anticipated that the Substance Law will have little material impact on the Company or its operations, as the legislation is new and remains subject to further clarification and interpretation it is not currently possible to ascertain the precise impact of these legislative changes on the Company.

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

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

Risks Related to Doing Business in China

Changes in China's economic, political or social conditions or government policies could have a material adverse effect on our business and operations.

Substantially all of our assets and operations are located in the PRC. Accordingly, our business, financial condition, results of operations and prospects may be influenced to a significant degree by political, economic and social conditions in the PRC generally. The Chinese economy differs from the economies of most developed countries in many respects, including the level of government involvement, development, growth rate, control of foreign exchange and allocation of resources. Although the Chinese government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets, and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in the PRC is still owned by the government. In addition, the Chinese government continues to play a significant role in regulating industry development by imposing industrial policies. The Chinese government also exercises significant control over the PRC's economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies.

While the Chinese economy has experienced significant growth over past decades, growth has been uneven, both geographically and among various sectors of the economy. Any adverse changes in economic conditions in the PRC, in the policies of the Chinese government or in the laws and regulations in the PRC could have a material adverse effect on the overall economic growth of the PRC. Such developments could adversely affect our business and operating results, lead to a reduction in demand for our services and adversely affect our competitive position. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall Chinese economy, but may have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations. In addition, in the past the Chinese government has implemented certain measures, including interest rate adjustment, to control the pace of economic growth. These measures may cause decreased economic activity in the PRC, which may adversely affect our business and operating results.

Uncertainties with respect to the PRC legal system could adversely affect us.

The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

In 1979, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters generally. The overall effect of legislation over the past three decades has significantly enhanced the protections afforded to various forms of foreign investments in the PRC. However, the PRC has not developed a fully integrated legal system, and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in the PRC. In particular, the interpretation and enforcement of these laws and regulations involve uncertainties. Since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or tort claims. In addition, these regulatory uncertainties may be exploited through unmerited or frivolous legal actions or threats in attempts to extract payments or benefits from us.

Furthermore, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all and may have a retroactive effect. As a result, we may not be aware of our violation of any of these policies and rules until sometime after the violation. In addition, any administrative and court proceedings in the PRC may be protracted, resulting in substantial costs and diversion of resources and management attention.

You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions in China against us or our management named in the prospectus based on foreign laws.

We conduct substantially all of our operations in China, and substantially all of our assets are located in China. In addition, our CEO, Mr. Jianxin Zhang and our CFO, Mr. Wenhui Zhuang reside within China for a significant portion of the time and are PRC nationals. As a result, it may be difficult for our shareholders to effect service of process upon us or those persons inside the PRC. In addition, the PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the Cayman Islands and many other countries and regions. Therefore, recognition and enforcement in the PRC of judgments of a court in any of these non-PRC jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or impossible.

We may rely on dividends and other distributions on equity paid by our PRC Subsidiary to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC Subsidiary to make payments to us could have a material and adverse effect on our ability to conduct our business.

We rely principally on dividends and other distributions on equity from our PRC Subsidiary for our cash requirements, including for services of any debt we may incur.

Our PRC Subsidiary's ability to distribute dividends is based upon its distributable earnings. Current PRC regulations permit our PRC Subsidiary to pay dividends to its respective shareholders only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, our PRC Subsidiary is required to set aside at least 10% of its after-tax profits each year, if any, to fund a statutory reserve until such reserve reaches 50% of its registered capital. Our PRC Subsidiary, as a Foreign Invested Enterprise, or FIE, is also required to further set aside a portion of its after-tax profits to fund the employee welfare fund, although the amount to be set aside, if any, is determined at its discretion. These reserves are not distributable as cash dividends. If our PRC operating subsidiary incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other payments to us. Any limitation on the ability of our PRC Subsidiary to distribute dividends or other payments to their respective shareholders could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our businesses, pay dividends or otherwise fund and conduct our business.

In addition, the Enterprise Income Tax Law and its implementation rules provide that a withholding tax rate of up to 10% will be applicable to dividends payable by Chinese companies to non-PRC-resident enterprises unless otherwise exempted or reduced according to treaties or arrangements between the PRC central government and governments of other countries or regions where the non-PRC resident enterprises are incorporated.

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

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

In order to secure the use of our chops and seals, we have established internal control procedures and rules for using these chops and seals. In any event that the chops and seals are intended to be used, the responsible personnel will submit the application through our office automation system and the application will be verified and approved by authorized employees in accordance with our internal control procedures and rules. In addition, in order to maintain the physical security of our chops, we generally have them stored in secured locations accessible only to authorized employees. Although we monitor such authorized employees, the procedures may not be sufficient to prevent all instances of abuse or negligence. There is a risk that our employees could abuse their authority, for example, by entering into a contract not approved by us or seeking to gain control of our PRC operating subsidiary. If any employee obtains, misuses or misappropriates our chops and seals or other controlling non-tangible assets for whatever reason, we could experience disruption to our normal business operations. We may have to take significant corporate or legal actions, which could involve significant time and resources to resolve and divert management from our operations.

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

Any funds we transfer to our PRC Subsidiary, either as a shareholder loan or as an increase in registered capital, are subject to approval by or registration with relevant governmental authorities in China. According to the relevant PRC regulations on foreign-invested enterprises, or FIEs, in China, capital contributions to our PRC Subsidiary are subject to the approval of or filing with the Ministry of Commerce, or MOFCOM or its local branches and registration with a local bank authorized by the State Administration of Foreign Exchange, or SAFE. In addition, (i) any foreign loan procured by our PRC Subsidiary is required to be registered with SAFE or its local branches and (ii) our PRC Subsidiary may not procure foreign loans which exceed the difference between its total investment amount and registered capital, or twice of the amount of the PRC Subsidiary's net assets, whichever is larger. As of March 31, 2019, such maximum amount of foreign loans that our PRC Subsidiary is allowed to procure is RMB 79,324,680.30 (approximately \$11,482,518). For more information on restrictions and limitations on the amount of loans, please see "Regulations—Regulations on loans to and direct investment in the PRC entities by offshore holding companies". Any medium or long-term loan to be provided by us to our PRC operating entity, i.e., China Liberal Beijing, must be registered with the NDRC and the SAFE or its local branches. We may not be able to complete such registrations on a timely basis, with respect to future capital contributions or foreign loans by us to our PRC Subsidiary. If we fail to complete such registrations, our ability to use the proceeds of this offering and to capitalize our PRC operations may be negatively affected, which could adversely affect our liquidity and our ability to fund and expand our business.

On March 30, 2015, the SAFE promulgated the Circular on Reforming the Management Approach Regarding the Foreign Exchange Capital Settlement of Foreign-Invested Enterprises, or SAFE Circular 19, which took effect as of June 1, 2015. SAFE Circular 19 launched a nationwide reform of the administration of the settlement of the foreign exchange capitals of FIEs and allows FIEs to settle their foreign exchange capital at their discretion, but continues to prohibit FIEs from using the Renminbi fund converted from their foreign exchange capital for expenditure beyond their business scopes, providing entrusted loans or repaying loans between nonfinancial enterprises. The SAFE issued the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts, or SAFE Circular 16, effective in June 2016. Pursuant to SAFE Circular 16, enterprises registered in China may also convert their foreign debts from foreign currency to Renminbi on a self-discretionary basis. SAFE Circular 16 provides an integrated standard for conversion of foreign exchange under capital account items (including but not limited to foreign currency capital and foreign debts) on a self-discretionary basis which applies to all enterprises registered in China. SAFE Circular 16 reiterates the principle that Renminbi converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC laws or regulations, while such converted Renminbi shall not be provided as loans to its non-affiliated entities. As this circular is relatively new, there remains uncertainty as to its interpretation and application and any other future foreign exchange related rules. Violations of these Circulars could result in severe monetary or other penalties. SAFE Circular 19 and SAFE Circular 16 may significantly limit our ability to use Renminbi converted from the net proceeds of this offering to fund our PRC operating subsidiary, to invest in or acquire any other PRC companies through our PRC Subsidiary, which may adversely affect our business, financial condition and results of operations.

Fluctuations in exchange rates could have a material and adverse effect on our results of operations and the value of your investment.

The value of the Renminbi against the U.S. dollar and other currencies is affected by, among other things, changes in China's political and economic conditions and China's foreign exchange policies. The conversion of Renminbi into foreign currencies, including U.S. dollars, has been based on exchange rates set by the People's Bank of China. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi solely to the U.S. dollar, and the Renminbi appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, however, this appreciation halted and the Renminbi was traded within a narrow range against the U.S. dollar. Between July 2010 and November 2015, the Renminbi fluctuated against the U.S. dollar, at times significantly and unpredictably. On November 30, 2015, the Executive Board of IMF completed the regular five-year review of the basket of currencies that make up the Special Drawing Right, or the SDR, and decided that effective October 1, 2016, Renminbi is determined to be a freely usable currency and will be included in the SDR basket as a fifth currency, along with the U.S. dollar, the Euro, the Japanese yen and the British pound. In the fourth quarter of 2016, the Renminbi depreciated significantly in the backdrop of a surging U.S. dollar and persistent capital outflows from China. This depreciation halted in 2017, and the RMB appreciated approximately 7% against the U.S. dollar during this one-year period. Since February 2018, the RMB has depreciated significantly, over 8% against the U.S. dollar. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may announce further changes to the exchange rate system in the future, and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against the U.S. dollar in the future. It is difficult to predict how market forces, PRC or U.S. government policies may impact the exchange rate between the Renminbi and the U.S. dollar in the future.

Significant revaluation of the Renminbi may have a material and adverse effect on your investment. For example, to the extent that we need to convert U.S. dollars we receive from this offering into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we would receive from the conversion. Conversely, if we decide to convert our Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amount available to us. The net proceeds from this offering will be denominated in U.S. dollars. Fluctuations in exchange rates, primarily those involving the U.S. dollar, may affect the relative purchasing power of these proceeds. In addition, appreciation or depreciation in the value of the Renminbi relative to the U.S. dollar would affect our financial results reported in U.S. dollar terms without giving effect to any underlying change in our business or results of operations. Fluctuations in the exchange rate will also affect the relative value of earnings from and the value of any U.S. dollar-denominated investments we make in the future.

Very limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure, if at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert Renminbi into foreign currencies. As a result, fluctuations in exchange rates may have a material adverse effect on your investment.

If we are classified as a PRC resident enterprise for PRC enterprise income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders.

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with its "de facto management body" within the PRC is considered a "resident enterprise" and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise. In 2009, the State Administration of Taxation, or SAT, issued a circular, known as SAT Circular 82, which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the SAT's general position on how the "de facto management body" text should be applied in determining the tax resident status of all offshore enterprises. According to SAT Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China, and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

We believe our company is not a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term “de facto management body.” If the PRC tax authorities determine that our company is a PRC resident enterprise for enterprise income tax purposes, we will be subject to PRC enterprise income on our worldwide income at the rate of 25%. Furthermore, we be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises. In addition, non-resident enterprise shareholders may be subject to PRC tax on gains realized on the sale or other disposition of ordinary shares, if such income is treated as sourced from within the PRC. Furthermore, if we are deemed a PRC resident enterprise, dividends paid to our non-PRC individual shareholders and any gain realized on the transfer of or ordinary shares by such shareholders may be subject to PRC tax at a rate of 20% (which, in the case of dividends, may be withheld at source by us). These rates may be reduced by an applicable tax treaty, but it is unclear whether non-PRC shareholders of our company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in the ordinary shares.

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

Under the PRC EIT Law and its implementation rules, the profits of a foreign invested enterprise generated through operations, which are distributed to its immediate holding company outside the PRC, will be subject to a withholding tax rate of 10%. Pursuant to a special arrangement between Hong Kong and the PRC, this rate may be reduced to 5% if a Hong Kong resident enterprise owns more than 25% of the equity interest in the PRC company. Our PRC Subsidiary is wholly-owned by our Hong Kong subsidiary. Moreover, under the Notice of the State Administration of Taxation on Issues regarding the Administration of the Dividend Provision in Tax Treaties promulgated on February 20, 2009, the tax payer needs to satisfy certain conditions to enjoy the benefits under a tax treaty. The beneficial owner of the relevant dividends and the corporate shareholder to receive dividends from the PRC Subsidiary must have continuously met the direct ownership thresholds during the 12 consecutive months preceding the receipt of the dividends. Further, the State Administration of Taxation promulgated the Notice on How to Understand and Recognize the “Beneficial Owner” in Tax Treaties on October 27, 2009, which limits the “beneficial owner” to individuals, projects or other organizations normally engaged in substantive operations, and sets forth certain detailed factors in determining the “beneficial owner” status. In current practice, a Hong Kong enterprise must obtain a tax resident certificate from the relevant Hong Kong tax authority to apply for the 5% lower PRC withholding tax rate. As the Hong Kong tax authority will issue such a tax resident certificate on a case-by-case basis, we cannot assure you that we will be able to obtain the tax resident certificate from the relevant Hong Kong tax authority. As of the date of this prospectus, we have not commenced the application process for a Hong Kong tax resident certificate from the relevant Hong Kong tax authority, and there is no assurance that we will be granted such a Hong Kong tax resident certificate.

Even after we obtain the Hong Kong tax resident certificate, we are required by applicable tax laws and regulations to file the required forms and materials with the relevant PRC tax authorities to prove that we can enjoy 5% lower PRC withholding tax rate. Boya Hong Kong intends to obtain the required materials and file with the relevant tax authorities when it plans to declare and pay dividends, but there is no assurance that the PRC tax authorities will approve the 5% withholding tax rate on dividends received from Boya Hong Kong.

We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprise by its non-PRC holding companies.

On February 3, 2015, the SAT issued the Public Notice Regarding Certain Corporate Income Tax Matters on Indirect Transfer of Properties by Non-Tax Resident Enterprises, or SAT Bulletin 7. SAT Bulletin 7 extends its tax jurisdiction to transactions involving the transfer of taxable assets through offshore transfer of a foreign intermediate holding company. In addition, SAT Bulletin 7 has introduced safe harbors for internal group restructurings and the purchase and sale of equity through a public securities market. SAT Bulletin 7 also brings challenges to both foreign transferor and transferee (or other person who is obligated to pay for the transfer) of taxable assets.

On October 17, 2017, the SAT issued the Announcement of the State Administration of Taxation on Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source, or SAT Bulletin 37, which came into effect on December 1, 2017. The SAT Bulletin 37 further clarifies the practice and procedure of the withholding of non-resident enterprise income tax.

Where a non-resident enterprise transfers taxable assets indirectly by disposing of the equity interests of an overseas holding company, which is an Indirect Transfer, the non-resident enterprise as either transferor or transferee, or the PRC entity that directly owns the taxable assets, may report such Indirect Transfer to the relevant tax authority. Using a “substance over form” principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such Indirect Transfer may be subject to PRC enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise. Both the transferor and the transferee may be subject to penalties under PRC tax laws if the transferee fails to withhold the taxes and the transferor fails to pay the taxes.

We face uncertainties as to the reporting and other implications of certain past and future transactions where PRC taxable assets are involved, such as offshore restructuring, sale of the shares in our offshore subsidiaries and investments. Our company may be subject to filing obligations or taxed if our company is a transferor in such transactions, and may be subject to withholding obligations if our company is a transferee in such transactions, under SAT Bulletin 7 and/or SAT Bulletin 37. For transfer of shares in our company by investors who are non-PRC resident enterprises, our PRC Subsidiary may be requested to assist in the filing under SAT Bulletin 7 and/or SAT Bulletin 37. As a result, we may be required to expend valuable resources to comply with SAT Bulletin 7 and/or SAT Bulletin 37 or to request the relevant transferors from whom we purchase taxable assets to comply with these circulars, or to establish that our company should not be taxed under these circulars, which may have a material adverse effect on our financial condition and results of operations.

Regulation and censorship of information disseminated over the internet in China may adversely affect our business and reputation and subject us to liability for information displayed on our website.

The PRC government has adopted regulations governing internet access and the distribution of news and other information over the internet. Under these regulations, internet content providers and internet publishers are prohibited from posting or displaying over the internet content that, among other things, violates PRC laws and regulations, impairs the national dignity of China, or is reactionary, obscene, superstitious, fraudulent or defamatory. Failure to comply with these requirements may result in the revocation of licenses to provide internet content and other licenses, and the closure of the concerned websites. The website operator may also be held liable for such censored information displayed on or linked to the websites. If our website is found to be in violation of any such requirements, we may be penalized by relevant authorities, and our operations or reputation could be adversely affected.

Risks Related to this Offering and the Trading Market

An active trading market for our Ordinary Shares may not develop and the trading price for our Ordinary Shares may fluctuate significantly.

We have applied to list our Ordinary Shares on the Nasdaq Capital Market. Prior to the completion of this offering, there has been no public market for our Ordinary Shares, and we cannot assure you that a liquid public market for our Ordinary Shares will develop. If an active public market for our Ordinary Shares does not develop following the completion of this offering, the market price and liquidity of our Ordinary Shares may be materially and adversely affected. The initial public offering price for our Ordinary Shares will be determined by us and the Underwriter based upon several factors, and we can provide no assurance that the trading price of our Ordinary Shares after this offering will not decline below the initial public offering price. As a result, investors in our securities may experience a significant decrease in the value of their holding of our Ordinary Shares.

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

The trading price of our Ordinary Shares is likely to be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, including the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in the United States. In addition to market and industry factors, the price and trading volume for our Ordinary Shares may be highly volatile for factors specific to our own operations and our industry, including the following:

- variations in our revenues, earnings and cash flows;
- announcements of new investments, acquisitions, strategic partnerships or joint ventures by us or our competitors;
- announcements of new offerings, solutions and expansions by us or our competitors;
- changes in financial estimates by securities analysts;
- detrimental adverse publicity about us, our services or our industry;
- announcements of new regulations, rules or policies relevant for our business;
- additions or departures of key personnel;
- release of lockup or other transfer restrictions on our outstanding equity securities or sales of additional equity securities; and
- potential litigation or regulatory investigations.

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

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

The initial public offering price for our Ordinary Shares may not be indicative of prices that will prevail in the trading market and such market prices may be volatile.

The initial public offering price for our Ordinary Shares has been determined by negotiations between us and the underwriter, and does not bear any relationship to our earnings, book value or any other indicia of value. We cannot assure you that the market price of our Ordinary Shares will not decline significantly below the initial public offering price. The financial markets in the United States and other countries have experienced significant price and volume fluctuations in the last few years. Volatility in the price of our Ordinary Shares may be caused by factors outside of our control and may be unrelated or disproportionate to changes in our results of operations.

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

If you purchase our Ordinary Shares in this offering, you will pay more for your Ordinary Shares than the amount paid by our existing shareholders for their ordinary shares per share. As a result, you will experience immediate and substantial dilution of approximately \$4.30 per Ordinary Share, representing the difference between the assumed initial public offering price of \$6.00 per share and our net tangible book value per share as of December 31, 2018, after giving effect to the net proceeds to us from this offering. See "Dilution" for a more complete description of how the value of your investment in our Ordinary Shares will be diluted upon the completion of this offering.

The offering price of the primary offering and resale offering could differ.

The offering price of our Ordinary Shares in the initial public offering has been determined by negotiations between the Company and the underwriter. The offering price in the initial public bears no relationship to our assets, earnings or book value, or any other objective standard of value. The selling shareholder may sell the resale shares at prevailing market prices or privately negotiated prices after close of the offering and listing of the Ordinary Shares on NASDAQ. Therefore, the offering prices of the initial public and resale offering could differ. As a result, the purchasers in the resale offering could pay more or less than the offering price in the primary offering.

The Resale by the Selling Shareholder may cause the market price of our Ordinary Shares to decline.

The resale of Ordinary Shares by the selling shareholder, as well as the issuance of Ordinary Shares in this Offering could result in resales of our Ordinary Shares by our current shareholders concerned about the potential dilution of their holdings. In addition, the resale by the selling shareholder after expiration of the lock-up period could have the effect of depressing the market price for our Ordinary Shares.

If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding the Ordinary Shares, the market price for the Ordinary Shares and trading volume could decline.

The trading market for our Ordinary Shares will be influenced by research or reports that industry or securities analysts publish about our business. If industry or securities analysts decide to cover us and in the future downgrade our Ordinary Shares, the market price for our Ordinary Shares would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price or trading volume for our Ordinary Shares to decline.

The sale or availability for sale of substantial amounts of our Ordinary Shares could adversely affect their market price.

Sales of substantial amounts of our Ordinary Shares in the public market after the completion of this offering, or the perception that these sales could occur, could adversely affect the market price of our Ordinary Shares and could materially impair our ability to raise capital through equity offerings in the future. The Ordinary Shares sold in this offering will be freely tradable without restriction or further registration under the Securities Act, and shares held by our existing shareholders may also be sold in the public market in the future subject to the restrictions in Rule 144 under the Securities Act and the applicable lockup agreements. There will be 6,166,667 ordinary shares outstanding immediately after this offering. In connection with this offering, we, our directors, executive officers and existing shareholders have agreed, subject to certain exceptions, not to sell any Ordinary Shares for six months to one year after the date of this prospectus without the prior written consent of the Underwriter. We cannot predict what effect, if any, market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities for future sale will have on the market price of our Ordinary Shares. See "Underwriting" and "Shares Eligible for Future Sale" for a more detailed description of the restrictions on selling our securities after this offering.

Techniques employed by short sellers may drive down the market price of our Ordinary Shares.

Short selling is the practice of selling securities that the seller does not own but rather has borrowed from a third party with the intention of buying identical securities back at a later date to return to the lender. The short seller hopes to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement shares, as the short seller expects to pay less in that purchase than it received in the sale. As it is in the short seller's interest for the price of the security to decline, many short sellers publish, or arrange for the publication of, negative opinions regarding the relevant issuer and its business prospects in order to create negative market momentum and generate profits for themselves after selling a security short. These short attacks have, in the past, led to selling of shares in the market.

Public companies that have substantially all of their operations in the PRC have been the subject of short selling. Much of the scrutiny and negative publicity has centered on allegations of a lack of effective internal control over financial reporting resulting in financial and accounting irregularities and mistakes, inadequate corporate governance policies or a lack of adherence thereto and, in many cases, allegations of fraud. As a result, many of these companies are now conducting internal and external investigations into the allegations and, in the interim, are subject to shareholder lawsuits and/or SEC enforcement actions.

It is not clear what effect such negative publicity could have on us. If we were to become the subject of any unfavorable allegations, whether such allegations are proven to be true or untrue, we could have to expend a significant amount of resources to investigate such allegations and/or defend ourselves. While we would strongly defend against any such short seller attacks, we may be constrained in the manner in which we can proceed against the relevant short seller by principles of freedom of speech, applicable law or issues of commercial confidentiality. Such a situation could be costly and time-consuming, and could distract our management from growing our business. Even if such allegations are ultimately proven to be groundless, allegations against us could severely impact our business operations, and any investment in our Ordinary Shares could be greatly reduced or even rendered worthless.

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

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

Our Board of Directors has complete discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our Board of Directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our Board of Directors. Accordingly, the return on your investment in our Ordinary Shares will likely depend entirely upon any future price appreciation of our Ordinary Shares. There is no guarantee that our Ordinary Shares will appreciate in value after this offering or even maintain the price at which you purchased our Ordinary Shares. You may not realize a return on your investment in our Ordinary Shares and you may even lose your entire investment in our Ordinary Shares.

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

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

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

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

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

We will be required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to publish our results on a quarterly basis as press releases, distributed pursuant to the rules and regulations of NASDAQ. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information that would be made available to you were you investing in a U.S. domestic issuer.

Because we are a foreign private issuer and are exempt from certain Nasdaq corporate governance standards applicable to U.S. issuers, you will have less protection than you would have if we were a domestic issuer.

Nasdaq Listing Rules require listed companies to have, among other things, a majority of its board members be independent. As a foreign private issuer, however, we are permitted to, and we may, follow home country practice in lieu of the above requirements, or we may choose to comply with the Nasdaq requirement within one year of listing. The corporate governance practice in our home country, the Cayman Islands, does not require a majority of our board to consist of independent directors. Since a majority of our board of directors will not consist of independent directors, fewer board members will be exercising independent judgment and the level of board oversight on the management of our company may decrease as a result. In addition, the Nasdaq listing rules also require U.S. domestic issuers to have a compensation committee, a nominating/corporate governance committee composed entirely of independent directors, and an audit committee with a minimum of three members. We, as a foreign private issuer, are not subject to these requirements. The Nasdaq listing rules may require shareholder approval for certain corporate matters, such as requiring that shareholders be given the opportunity to vote on all equity compensation plans and material revisions to those plans, certain ordinary share issuances. We intend to comply with the requirements of Nasdaq Listing Rules in determining whether shareholder approval is required on such matters and to appoint a nominating and corporate governance committee. However, we may consider following home country practice in lieu of the requirements under Nasdaq listing rules with respect to certain corporate governance standards which may afford less protection to investors.

If we are classified as a passive foreign investment company, United States taxpayers who own our Ordinary Shares may have adverse United States federal income tax consequences.

A non-U.S. corporation such as ourselves will be classified as a passive foreign investment company, which is known as a PFIC, for any taxable year if, for such year, either

- At least 75% of our gross income for the year is passive income; or
- The average percentage of our assets (determined at the end of each quarter) during the taxable year which produce passive income or which are held for the production of passive income is at least 50%.

Passive income generally includes dividends, interest, rents and royalties (other than rents or royalties derived from the active conduct of a trade or business) and gains from the disposition of passive assets.

If we are determined to be a PFIC for any taxable year (or portion thereof) that is included in the holding period of a U.S. taxpayer who holds our Ordinary Shares, the U.S. taxpayer may be subject to increased U.S. federal income tax liability and may be subject to additional reporting requirements.

Depending on the amount of cash we raise in this offering, together with any other assets held for the production of passive income, it is possible that, for our 2018 taxable year or for any subsequent year, more than 50% of our assets may be assets which produce passive income, In which case we would be deemed a PFIC, which could have adverse US federal income tax consequences for US taxpayers who are shareholders. We will make this determination following the end of any particular tax year.

ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated under the laws of the Cayman Islands as an exempted company with limited liability. We are incorporated under the laws of the Cayman Islands because of certain benefits associated with being a Cayman Islands corporation, such as political and economic stability, an effective judicial system, a favorable tax system, the absence of foreign exchange control or currency restrictions and the availability of professional and support services. However, the Cayman Islands has a less developed body of securities laws as compared to the United States and provides significantly less protection for investors than the United States.

Substantially all of our assets are located in the PRC. In addition, a majority of our directors and officers are nationals or residents of the PRC and all or a substantial portion of their assets are located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon us or these persons, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

We have appointed Hunter Taubman Fischer & Li LLC as our agent to receive service of process with respect to any action brought against us in the United States District Court for the Southern District of New York under the federal securities laws of the United States or of any state in the United States or any action brought against us in the Supreme Court of the State of New York in the County of New York under the securities laws of the State of New York.

Campbells, our counsel to the laws of Cayman Islands, and Tian Yuan Law Firm, our counsel to PRC law, have advised us that there is uncertainty as to whether the courts of the Cayman Islands or the PRC would (i) recognize or enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States or (ii) entertain original actions brought in the Cayman Islands or the PRC against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States.

Campbells has further advised us that the United States and the Cayman Islands do not have a treaty providing for reciprocal recognition and enforcement of judgments of courts of the United States in civil and commercial matters and that a final judgment for the payment of money rendered by any general or state court in the United States based on civil liability, whether or not predicated solely upon the U.S. federal securities laws, may not be recognized and enforceable in the Cayman Islands on the grounds that such provisions are penal in nature. Although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, courts of the Cayman Islands will recognize and enforce a foreign judgment of a court of competent jurisdiction if such judgment is final, for a liquidated sum, provided it is not in respect of taxes or a fine or penalty, is not inconsistent with a Cayman Islands' judgment in respect of the same matters, and was not obtained in a manner which is contrary to the public policy of the Cayman Islands. In addition, a Cayman Islands court may stay proceedings if concurrent proceedings are being brought elsewhere.

Tian Yuan Law Firm has further advised us that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedure Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedure Law based either on treaties between China and the country where the judgment is made or on reciprocity between jurisdictions. Tian Yuan Law Firm has advised us further that there are no treaties between China and the United States for the mutual recognition and enforcement of court judgments, thus making the recognition and enforcement of a U.S. court judgment in China difficult.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering, after deducting the estimated underwriting discounts and the estimated offering expenses payable by us and based upon an assumed initial public offering price of US\$6.00 per Ordinary Share, of approximately \$7,000,000. If the underwriter exercises its over-allotment option in full, we estimate that the net proceeds to us from this offering will be approximately \$5,500,000, after deducting the underwriting discounts and estimated offering expenses payable by us.

| | Use of Proceeds | |
|--|------------------------|-----------|
| Cash Flow for Smart Campus Solutions | US\$ | 1,000,000 |
| Research and Development | US\$ | 1,500,000 |
| Integration of Enterprises and Vocational Education | US\$ | 1,500,000 |
| Establishment of Big Data Calculation Training School, As Support to Integration of Enterprises and Vocational Education | US\$ | 1,500,000 |

The foregoing represents our current intentions based upon our present plans and business conditions to use and allocate the net proceeds of this Offering. Our management, however, will have significant flexibility and discretion to apply the net proceeds of this Offering. If an unforeseen event occurs or business conditions change, we may use the proceeds of this Offering differently than as described in this prospectus. To the extent that the net proceeds we receive from this Offering are not immediately used for the above purposes, we intend to invest our net proceeds in short-term, interest-bearing bank deposits or debt instruments.

As an offshore holding company, we are permitted under PRC laws and regulations to provide funding to our PRC Subsidiary through loans or capital contributions, subject to applicable regulatory approvals. We currently cannot make loans or capital contributions to our PRC Subsidiary without first obtaining regulatory approvals, registration or filings, i.e., making a filing with the local branch of the MOFCOM, and registering with the local branch of the State Administration for Market Regulation, or SAMR, and the approval of and registration with a local bank authorized by the SAFE. The maximum amount of loans that our PRC Subsidiary is allowed to procure as of March 31, 2019 is RMB 79,324,680.30 (approximately \$11,482,518), which is higher than the maximum amount that we expect to raise from this Offering. However, there is no such restriction on capital contributions. Although to the best of our knowledge there is no material regulatory obstacles for us to obtain such approvals, registration or filings, we cannot assure you that we will be able to obtain these approvals, registration or filings in a timely manner. See “Risk Factors—Risks Related to Doing Business in China—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay us from using the proceeds of this offering to make loans or additional capital contributions to our PRC Subsidiary, which could materially and adversely affect our liquidity and our ability to fund and expand our business.”

DETERMINATION OF OFFERING PRICE

The offering price of the shares has been determined arbitrarily by us and the Underwriter. The price does not bear any relationship to our assets, book value, earnings, or other established criteria for valuing a privately held company. In determining the number of shares to be offered and the offering price, we took into consideration our cash on hand and the amount of money we would need to implement our business plan, as well as the most recent selling price of shares of our Ordinary Shares in private placements, if any. Accordingly, the offering price should not be considered an indication of the actual value of the securities.

DIVIDEND POLICY

We intend to keep any future earnings to finance the expansion of our business, and we do not anticipate that any cash dividends will be paid in the foreseeable future.

Under Cayman Islands law, a Cayman Islands company may pay a dividend on its shares out of either profit or share premium amount, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts due in the ordinary course of business.

If we determine to pay dividends on any of our Ordinary Shares in the future, as a holding company, we will be dependent on receipt of funds from our BVI subsidiary, Yi Xin International Investment Limited.

Current PRC regulations permit our PRC Subsidiary to pay dividends to Boya Hong Kong from the revenues from the operations of our PRC operating entity, China Liberal Beijing, if any, determined in accordance with Chinese accounting standards and regulations. In addition, China Liberal Beijing is required to set aside at least 10% of its after-tax profits each year, if any, to fund a statutory reserve until such reserve reaches 50% of its registered capital. China Liberal Beijing is also required to further set aside a portion of its after-tax profits to fund the employee welfare fund, although the amount to be set aside, if any, is determined at the discretion of its board of directors. Although the statutory reserves can be used, among other ways, to increase the registered capital and eliminate future losses in excess of retained earnings of the respective companies, the reserve funds are not distributable as cash dividends except in the event of liquidation.

The PRC government also imposes controls on the conversion of RMB into foreign currencies and the remittance of currencies out of the PRC. Therefore, we may experience difficulties in completing the administrative procedures necessary to obtain and remit foreign currency for the payment of dividends from our profits, if any. Furthermore, if our subsidiaries and affiliates in the PRC incur debt on their own in the future, the instruments governing the debt may restrict their ability to pay dividends or make other payments. If we or our subsidiaries are unable to receive all of the revenues from the operations of our PRC operating entity, China Liberal Beijing, we may be unable to pay dividends on our Ordinary Shares.

Cash dividends, if any, on our Ordinary Shares will be paid in U.S. dollars. Boya Hong Kong may be considered a non-resident enterprise for tax purposes, so that any dividends China Liberal Beijing pays to Boya Hong Kong may be regarded as China-sourced income and as a result may be subject to PRC withholding tax at a rate of up to 10%. See *“Taxation—People’s Republic of China Enterprise Taxation.”*

In order for us to pay dividends to our shareholders, we will rely on payments made from China Liberal Beijing to Boya Hong Kong. Certain payments from China Liberal Beijing to Boya Hong Kong are subject to PRC taxes, including business taxes and VAT. In addition, if China Liberal Beijing or its subsidiaries or branches incur debt on their own behalves in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us.

Pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, or the Double Tax Avoidance Arrangement, the 10% withholding tax rate may be lowered to 5% if a Hong Kong resident enterprise owns no less than 25% of a PRC project. However, the 5% withholding tax rate does not automatically apply and certain requirements must be satisfied, including without limitation that (a) the Hong Kong project must be the beneficial owner of the relevant dividends; and (b) the Hong Kong project must directly hold no less than 25% share ownership in the PRC project during the 12 consecutive months preceding its receipt of the dividends. In current practice, a Hong Kong project must obtain a tax resident certificate from the Hong Kong tax authority to apply for the 5% lower PRC withholding tax rate. As the Hong Kong tax authority will issue such a tax resident certificate on a case-by-case basis, we cannot assure you that we will be able to obtain the tax resident certificate from the relevant Hong Kong tax authority and enjoy the preferential withholding tax rate of 5% under the Double Taxation Arrangement with respect to dividends to be paid by China Liberal Beijing to its immediate holding company, Boya Hong Kong. As of the date of this prospectus, we have not applied for the tax resident certificate from the relevant Hong Kong tax authority. Boya Hong Kong intends to apply for the tax resident certificate when China Liberal Beijing plans to declare and pay dividends to Boya Hong Kong. See *“Risk Factors—There are significant uncertainties under the EIT Law relating to the withholding tax liabilities of our PRC Subsidiary, and dividends payable by our PRC Subsidiary to our offshore subsidiaries may not qualify to enjoy certain treaty benefits.”*

CAPITALIZATION

The following table sets forth our capitalization as of December 31, 2018:

- on an actual basis;
- on an as adjusted basis to reflect the issuance and sale of 1,166,667 Ordinary Shares by us in this Offering at the assumed initial public offering price of \$6.00 per Ordinary Share, after deducting the estimated discounts to the Underwriter and the estimated offering expenses payable by us.

You should read this capitalization table in conjunction with “Use of Proceeds,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and the related notes appearing elsewhere in this prospectus.

| | December 31, 2018 | |
|--|-------------------|------------------------------|
| | Actual | Pro Forma As adjusted (1) |
| | US\$ | US\$ |
| Equity | | |
| Share capital US\$0.001 par value, 50,000,000 Ordinary Shares authorized, 5,000,000 Ordinary Shares issued and outstanding; 6,166,667 Ordinary Shares issued and outstanding pro forma | 5,000 | 6,167 |
| Additional paid-in capital | 4,579,116 | 10,313,771 |
| Statutory reserve | 294,158 | 294,158 |
| Retained earnings | 88,967 | 88,967 |
| Accumulated other comprehensive income | (234,237) | (234,237) |
| Total equity | 4,733,004 | 10,468,826 |
| Total capitalization | | |

(1) Reflects the sale of ordinary shares in this offering at an assumed initial public offering price of \$6.00 per share, and after deducting the estimated underwriting discounts and estimated offering expenses payable by us. The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing. Additional paid-in capital reflects the net proceeds we expect to receive, after deducting the underwriting discounts and estimated offering expenses payable by us. We estimate that such net proceeds will be approximately \$7,000,000.

A US\$0.05 increase (decrease) in the assumed initial public offering price of US\$6.00 per Ordinary Share would increase (decrease) each of additional paid-in capital, total shareholders’ equity and total capitalization by US\$0.06 million, assuming the number of Ordinary Shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and estimated expenses payable by us.

DILUTION

Unless otherwise indicated, all share amounts and per share amounts in this prospectus have been presented giving effect to a stock split of our outstanding Ordinary Shares at a ratio of 1,000-for-1 that occurred on July 8, 2019, and an issuance of 3,999,000 Ordinary Shares on July 15, 2019.

If you invest in our Ordinary Shares, your interest will be diluted for each Ordinary Share you purchase to the extent of the difference between the initial public offering price per Ordinary Share and our net tangible book value per Ordinary Share after the Offering. Dilution results from the fact that the initial public offering price per Ordinary Share is substantially in excess of the net tangible book value per Ordinary Share attributable to the existing shareholders for our presently outstanding Ordinary Shares.

After giving effect to the sale of 1,166,667 ordinary shares in this offering at the assumed initial public offering price of \$6.00 per ordinary share and after deducting the underwriting discounts and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value at December 31, 2018 would have been \$10,468,826, or \$1.70 per ordinary share. This represents an immediate increase in pro forma as adjusted net tangible book value of \$0.75 per ordinary share to existing investors and immediate dilution of \$4.30 per ordinary share to new investors. The following table illustrates such dilution to new investors purchasing ordinary shares in this offering:

| | Post- Offering (1) | Full Exercise of Over- allotment Option |
|--|-----------------------|---|
| Assumed initial public offering price per ordinary share | \$ 6.00 | \$ 6.00 |
| Net tangible book value per ordinary share as of December 31, 2018 | \$ 0.95 | \$ 0.95 |
| Increase in pro forma as adjusted net tangible book value per ordinary share attributable to new investors purchasing ordinary shares in this offering | \$ 0.75 | \$ 0.85 |
| Pro forma as adjusted net tangible book value per ordinary share after this offering | \$ 1.70 | \$ 1.80 |
| Dilution per ordinary share to new investors in this offering | \$ 4.30 | \$ 4.20 |

Each \$0.50 increase (decrease) in the assumed initial public offering price of \$6.00 per ordinary share would increase (decrease) our pro forma as adjusted net tangible book value as of December 31, 2018 after this offering by approximately \$0.09 per ordinary share, and would increase (decrease) dilution to new investors by \$0.41 per ordinary share, assuming that the number of ordinary shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the underwriting discounts and estimated offering expenses payable by us. The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

If the underwriter exercises their over-allotment option in full, the pro forma as adjusted net tangible book value per ordinary share after the offering would be \$1.80, the increase in net tangible book value per ordinary share to existing shareholders would be \$0.85, and the immediate dilution in net tangible book value per ordinary share to new investors in this offering would be \$4.20.

The table and discussion above is based on 5,000,000 ordinary shares outstanding as of December 31, 2018.

To the extent that we issue additional ordinary shares in the future, there will be further dilution to new investors participating in this offering.

(1) Assumes that the underwriter's over-allotment option has not been exercised.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and the related notes included elsewhere in this prospectus. This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. See “Disclosure Regarding Forward-Looking Statements” for a discussion of the uncertainties, risks, and assumptions associated with these statements. Actual results and the timing of events could differ materially from those discussed in our forward-looking statements as a result of many factors, including those set forth under “Risk Factors” and elsewhere in this prospectus.

Unless otherwise indicated, all share amounts and per share amounts in this prospectus have been presented giving effect to a stock split of our Ordinary Shares at a ratio of 1,000-for-1, which occurred on July 8, 2019, and an issuance of 3,999,000 Ordinary Shares on July 15, 2019.

Overview

We are an educational service provider operating under the “China Liberal” brand in the People’s Republic of China (the “PRC”).

We offer a wide range of educational services and programs to our customers, consisting primarily of Sino-foreign jointly managed and delivered academic programs (“Sino-foreign Jointly Managed Academic Programs”), overseas study consulting services (“Overseas Study Consulting Services”), technological consulting services provided for targeted Chinese universities to improve their campus information and data management system and to optimize their teaching, operating and management environment, under the concept of “creating a smart campus” (“Technological Consulting Services for Smart Campus Solutions”). We also develop and provide textbooks and other course materials to students enrolled under the Sino-foreign Jointly Managed Academic Programs to ensure the quality of students’ learning outcomes. Since December 2018, we started to provide job readiness training services acting as the key bridge between our partner schools and employers, and to provide tailored job readiness training to graduating students (“Integration of Enterprises and Vocational Education”). We did not start generating revenue from this line of business until January 2019.

Our revenues increased by \$923,107, or 23.8%, from \$3,885,886 for the fiscal year ended December 31, 2017, to \$4,808,993 for the fiscal year ended December 31, 2018. Revenues from our services provided for joint education programs accounted for 50.1% and 72.6% of our total revenues for the fiscal years ended December 31, 2018 and 2017, respectively, revenues from our study abroad consulting services accounted for 11.4% and 1.6% of our total revenues for the fiscal years ended December 31, 2018 and 2017, respectively, while revenue from providing technological consulting services accounted for 37.9% and 24.5% of our total revenue for the years ended December 31, 2018 and 2017, respectively. Revenue from sales of textbooks and course materials accounted for 0.6% and 1.3% of our total revenue for the years ended December 31, 2018 and 2017, respectively.

The following table illustrates the amount and percentage of our revenue derived from our different services provided:

| | For the years ended December 31, | | | |
|---|---|---------------|---------------------|---------------|
| | 2018 | | 2017 | |
| | Amount | % | Amount | % |
| Revenue from Sino-foreign Jointly Managed Academic Programs | \$ 2,410,781 | 50.1% | \$ 2,821,602 | 72.6% |
| Revenue from textbook and course material sales | 29,717 | 0.6% | 52,345 | 1.3% |
| Revenue from Overseas Study Consulting Services | 547,521 | 11.4% | 60,947 | 1.6% |
| Revenue from Technological Consulting Services for Smart Campus Solutions | 1,820,974 | 37.9% | 950,992 | 24.5% |
| Total revenue | \$ 4,808,993 | 100.0% | \$ 3,885,886 | 100.0% |

Key Factors that Affect Our Results of Operations

We believe the following key factors may affect our financial condition and results of operations:

Demand for International Education from Chinese Students

Education services are an investment for the future. We are optimistic that the Chinese economy’s steady growth will likely drive incomes and consumption levels for Chinese citizens, who will have more capital for their children’s educations. We believe that tuition fees are impacted less by volatility in the overall economy as people in China generally cut back on other spending before they reduce spending on their children’s education.

We have benefited from Chinese students’ increasing demand for international education. Such demand is primarily driven by an increasing number of Chinese students seeking quality educations and who aspire to study abroad, which is in turn driven by factors such as: (i) an increasing number of affluent families in China, (ii) the rising recognition of the quality of higher education overseas, (iii) the emphasis placed by Chinese parents on the importance of enrollment in globally-recognized universities to improve their children’s career prospects, and (iv) other economic and political factors. Any material change to these factors will significantly affect our operation results.

Number of Student Enrollments

Our revenues primarily consist of tuition and fees from students enrolled in the Sino-foreign Jointly Managed Academic Programs in which we are engaged to provide coordination, teaching and supporting services, as well as our consulting service fees charged to students contemplating studying abroad. The number of student enrollments is largely driven by the demand for the educational services and programs offered by us, the amount of fees we charge, the effectiveness of our marketing and brand promotion efforts, our ability to maintain the consistency and quality of our teaching, as well as our ability to respond to competitive pressures. The level of students enrolled in our Sino-foreign Jointly Managed Academic Programs, and the number of students who come to us for study abroad consulting services directly affects our revenue and profitability.

Our Tuition and Service Fees Charged

Our results of operations are directly affected by the level of the tuition and service fees we charge to our students. Under our cooperation with Chinese host universities/colleges for Sino-foreign Jointly Managed Education Programs, the Chinese host universities/colleges determine on the amount of tuitions and fees charged to enrolled students, ranging from RMB 15,000 (USD 2,268) per student per school year to RMB 28,000 (USD 4,233) per student per school year, depending on the applicable education programs. The total fees we receive from tuition collected by these universities and colleges varies based on the terms of our contracts with the Chinese host universities we partner with, and are based on our services rendered and can range from RMB 2,250 (USD 340) to RMB 11,200 (USD 1,693) per student per school year. With respect to Sino-foreign Jointly Managed Academic Programs, our contracts with Chinese host universities/colleges provide that (1) the host universities/ colleges will withhold the tuition collected from students for one to three months after the academic school year starts in September, and then remit the portion of tuition fees to us after the student headcounts have been finalized, and (2) the portion of tuition fee that we are entitled to receive is calculated based on the final actual number of students retained with the universities/colleges after any student dropout has been adjusted. Accordingly, any tuition refund has already been deducted by host universities/ colleges before we receive our portion of the tuition fees. For accounting purposes, at the beginning of each academic school year, we initially accrue the estimated refund based on an historical 1% student dropout rate, and make subsequent true-up adjustments after the final number of students retained with the host universities/colleges is determined. Such adjustments were immaterial for the years ended December 31, 2018 and 2017. Our ability to receive our portion of tuition fee from Chinese host universities/ colleges largely depends on whether Chinese host universities/ colleges are satisfied with our teaching services, or whether we can maintain positive communication with Chinese host universities/colleges to resolve any service deficiency on a timely manner. Any extended tuition withholding or delayed tuition payment to us from Chinese host universities/ colleges due to our service deficiency, may negatively impact our revenue, results of operations and financial condition.

We determine overseas study consulting service fees based on services provided to each individual student to satisfy his or her needs. Under the smart campus solutions, our fees are based on the scope of services specified in our agreements with the Chinese universities we service. Any change in our service fees would have a material impact on our revenue and profitability.

Our Ability to Control Costs and Expenses and Improve Our Operating Efficiency

Staffing costs and administrative expenses have a direct impact on our profitability. The size of our staff, particularly our foreign faculty teachers appointed to selected Chinese host universities/colleges, generally increases as the student base expands, while other expenses, particularly those relating to administrative functions, are relatively fixed. With respect to Sino-foreign Jointly Managed Academic Programs, our contracts with Chinese host universities/colleges provide that foreign teachers assigned by us should be substituted, and teaching textbooks, course materials and curriculums should be adjusted in a timely manner in order to ensure a satisfactory teaching result. The Chinese host universities/ colleges have the right to withhold our portion of the tuition if we do not take corrective action when our service deficiency is identified. Any costs related to teacher substitution, textbooks, course materials and curriculums adjustment should be borne by us. Historically, we have maintained active communications with the host universities/ colleges in order to obtain feedback on the quality of the services performed, and any identified service deficiency has been corrected on a timely manner, which led to immaterial costs associated with teacher substitution, textbooks, course materials and curriculums adjustment for the years ended December 31, 2018 and 2017. Our ability to drive the productivity of our staff and enhance our operating efficiency affects our profitability. If we fail to implement initiatives to control costs (including teacher substitution, textbooks, course materials and curriculums adjustment related costs) and improve our operating efficiency over time, our profitability will be negatively impacted.

If we are unable to compete successfully, our financial condition and results of operations may be harmed.

The education sector in China is rapidly evolving, highly fragmented and competitive, and we expect competition in this sector to persist and intensify. We face competition in each service segment we offer. Significant competition could reduce our operating margins and profitability and result in a loss of market share. Some of our existing and potential competitors may have competitive advantages, such as significantly greater brand recognition, financial, marketing, or other resources and may be able to mimic and adopt our business model. Significant competition could lead to lower prices and decreased revenues, gross margins and profits, any of which could have a material and adverse effect on our results of operations.

A severe or prolonged slowdown in the global or Chinese economy could materially and adversely affect our business and our financial condition.

The rapid growth of the Chinese economy has slowed down since 2012 and this slowdown may continue in the future. There is considerable uncertainty over trade conflicts between the United States and China and the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China. The withdrawal of these expansionary monetary and fiscal policies could lead to a contraction. There continue to be concerns over unrest and terrorist threats in the Middle East, Europe, and Africa, which have resulted in volatility in oil and other markets. There are also concerns about the relationships between China and other Asian countries, which may result in or intensify potential conflicts in relation to territorial disputes. The eruption of armed conflict could adversely affect global or Chinese discretionary spending, either of which could have a material and adverse effect on our business, results of operation in financial condition. Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China. Any severe or prolonged slowdown in the global or Chinese economy would likely materially and adversely affect our business, results of operations and financial condition. In addition, continued turbulence in the international markets may adversely affect our ability to access capital markets to meet liquidity needs.

Key Financial Performance Indicators

Our key financial performance indicators consist of the number of student enrollment, average tuition fees we received from students enrolled under the Sino-foreign Jointly Managed Academic Programs, average service fees we charged to students for our Overseas Study Consulting Services, as well as the number of contracts we signed for smart campus solution projects, which significantly impacted our net revenues, cost of revenues and operating expenses, as discussed in greater detail under "Results of Operations" below.

We derived net revenues from our four operating segments in terms of percentages of our total net revenues from continuing operations as follows in fiscal year 2018 and 2017:

| | For the years ended December 31, | |
|---|---|---------------|
| | 2018 | 2017 |
| Revenue from Sino-foreign Jointly Managed Academic Programs | 50.1% | 72.6% |
| Revenue from textbook and course material sales | 0.6% | 1.3% |
| Revenue from Overseas Study Consulting Services | 11.4% | 1.6% |
| Revenue from Technological Consulting Services for Smart Campus Solutions | 37.9% | 24.5% |
| Total revenue | <u>100.0%</u> | <u>100.0%</u> |

Revenues from our services provided for the Sino-foreign Jointly Managed Academic Programs accounted for 50.1% and 72.6% of our total revenues for the fiscal years ended December 31, 2018 and 2017, respectively; revenues from our Overseas Study Consulting Services accounted for 11.4% and 1.6% of our total revenues for the fiscal years ended December 31, 2018 and 2017, respectively; revenues from providing Technological Consulting Services for Smart Campus Solutions accounted for 37.9% and 24.5% of our total revenue for the years ended December 31, 2018 and 2017, respectively; and revenues from sales of textbooks and course materials accounted for 0.6% and 1.3% of our total revenue for the years ended December 31, 2018 and 2017, respectively.

Our revenues from the Sino- foreign Jointly Managed Academic Programs and Overseas Study Consulting Services segments are primarily generated from tuition fees or service fees we charged to students. Those revenues are linked to the number of student enrollments. Our students enrollment is affected by a mix of factors including the number and variety of our programs or service offerings, overall demand for our programs or service offerings, the geographic markets where the programs or services are offered, the pricing of our education programs or services, the fees charged by our competitors for the same or similar programs or services, any changes in the regulatory regime applicable to the education industry in China, and our reputation.

The total number of students enrolled under our Sino-foreign Jointly Managed Academic Programs were 2,390 in fiscal year 2018 and 2,877 in fiscal year 2017. We had 49 students who signed up for our Overseas Study Consulting Services in fiscal year 2018 and 7 students in fiscal year 2017. In terms of tuition fee, our Chinese host universities/colleges determine the amount of tuitions and fees charged to enrolled students, ranging from RMB 15,000 (USD 2,268) per student per school year to RMB 28,000 (USD 4,233) per student per school year, depending on the applicable education programs. The total fees we receive from tuition collected by these universities and colleges vary based on the terms of our contracts with the Chinese host universities we partner with, and are based on our services rendered and can range from RMB 2,250 (USD 340) to RMB 11,200 (USD 1,693) per student per school year. Consulting fees we charge students to provide Overseas Study Consulting Services range from RMB 50,000 (\$7,558) per person to RMB 80,000 (\$12,093) per person, depending on different majors that our students are planning to pursue in foreign countries, which majors then determine the level of customized tutoring services we provide.

Our revenue from the sale of textbooks and course material is largely affected by the number of students enrolled under the Sino-foreign joint education programs. Revenue from this segment only accounted for 0.6% and 1.3% of our total revenue for the fiscal year 2018 and 2017, respectively. We expect revenue in this segment to keep a steady pace in the foreseeable future.

Our revenue from Technological Consulting Services for Smart Campus Solutions largely depends on the number of contracts we may enter into with customers, and on our ability to customize our solutions in a cost-effective way. Our “smart campus” related technological consulting service contracts are primarily on a fixed-price basis, which require us to perform services including project planning, project solution and design, data management application customization, installations of hardware equipment and components, integration of hardware and software application, and post-contract continuous maintenance support, based on the specific needs of each customer. For the fiscal years ended December 31, 2018 and 2017, we have successfully provided smart campus solutions to FMP and several other Chinese universities, namely Strait College of Minjiang University, Capital Normal University, Beijing University of Chinese Medicine and University of International Business and Economics. Based on our experience and reputation, we anticipate we will enter into additional smart campus solution contracts with a larger number of Chinese universities/ colleges in fiscal year 2019 and beyond. To manage and support our growth and profitability in this segment, we plan to enhance our operational, administrative and technological systems and our financial and management controls. If we cannot achieve these operational improvements, our financial condition and results of operations may be materially adversely affected.

Cost of revenues

Our cost of revenues consists of salary, welfare and insurance costs for our faculty, rent expense for foreign faculty, textbook and course materials costs, travel, meals and entertainment expenses associated with teaching activities, consulting fees paid to third-parties for course design and teacher training, hardware parts and components purchase costs as well as labor costs incurred to undertake the software application customization for the smart campus projects, and business taxes. Our cost of revenues accounted for 56.2% and 55.6% of our total revenue for the fiscal year 2018 and 2017, respectively. We expect our cost of revenues to increase as we further expand our operations by opening our China Liberal Schools in Beijing and Italy, driven in large part by a planned increase in the number of our teachers and study advisors and increased utility and lease payment for our schools to support our study abroad consulting service business segment. In addition, in anticipation of the increase in our smart campus solution contracts with additional Chinese universities/ colleges, we expect our costs associated with hardware equipment and facilities purchase as well as data management application system customization will further increase in the foreseeable future.

Operating expenses

Our operating expenses consist of selling and marketing expenses and general and administrative expenses.

Our selling expenses primarily include expenses incurred for various sales activities, advertising, payroll expense paid to our sales and marketing personnel as well as shipping and delivery expenses. As a percentage of revenues, our selling expenses accounted for 14.6% and 13.9% of our total revenue for the years ended December 31, 2018 and 2017, respectively. We expect that our overall sales and marketing expenses, including but not limited to, advertising expenses, brand promotion expenses and salaries, will continue to increase in the foreseeable future if our business further grows.

Our general and administrative expenses primarily consist of employee salaries, welfare and insurance expenses, depreciation and professional service expenses. As a percentage of revenues, general and administrative expenses were 12.1% and 10.5% of our revenue in fiscal year 2018 and 2017, respectively. We expect our general and administrative expenses, including, but not limited to, salaries and business consulting expenses, to continue to increase in the foreseeable future, as we hire additional personnel and incur additional expenses in connection with the expansion of our business operations. We expect our professional fees for legal, audit, and advisory services to increase as we become a public company upon the completion of this offering.

Results of Operations

The following table summarizes the results of our operations during the fiscal years ended December 31, 2018 and 2017, respectively, and provides information regarding the dollar and percentage increase or (decrease) during such years.

| | For the Years Ended December 31, | | | | | |
|---|----------------------------------|---------------|--------------|---------------|----------------------------|--------------------------------|
| | 2018 | | 2017 | | Amount Increase (Decrease) | Percentage Increase (Decrease) |
| | Amount | As % of Sales | Amount | As % of Sales | | |
| Revenue | \$ 4,808,993 | 100.0% | \$ 3,885,886 | 100.0% | \$ 923,107 | 23.8% |
| Cost of revenue | 2,702,297 | 56.2% | 2,161,322 | 55.6% | 540,975 | 25.0% |
| Gross profit | 2,106,696 | 43.8% | 1,724,564 | 44.4% | 382,132 | 22.2% |
| Operating expenses | | | | | | |
| Selling expenses | 704,060 | 14.6% | 541,424 | 13.9% | 162,636 | 30.0% |
| General and administrative expenses | 579,500 | 12.1% | 408,762 | 10.5% | 170,738 | 41.8% |
| Total operating expenses | 1,283,560 | 26.7% | 950,186 | 24.5% | 333,374 | 35.1% |
| Income from operations | 823,136 | 17.1% | 774,378 | 19.9% | 48,758 | 6.3% |
| Other income (expenses) | | | | | | |
| Interest income | 88,926 | 1.8% | 70,743 | 1.8% | 18,183 | 25.7% |
| Other income | 180,191 | 3.7% | 187,794 | 4.8% | (7,603) | (4.0)% |
| Total other income, net | 269,117 | 5.6% | 258,537 | 6.7% | 10,580 | 4.1% |
| Income before income taxes | 1,092,253 | 22.7% | 1,032,915 | 26.6% | 59,338 | 5.7% |
| Provision for income taxes | 167,813 | 3.5% | 158,109 | 4.1% | 9,704 | 6.1% |
| Net income | \$ 924,440 | 19.2% | \$ 874,806 | 22.5% | \$ 49,634 | 5.7% |
| Less: net income attributable to non-controlling interest | 81,779 | 1.7% | 5,800 | 0.1% | 75,979 | 1310.0% |
| Net income attributable to the Company | \$ 842,661 | 17.5% | \$ 869,006 | 22.4% | \$ (26,345) | (3.0)% |

Revenues. Revenues increased by \$923,107, or 23.8%, to \$4,808,993 in 2018 from \$3,885,886 in 2017. The increase in our revenue was due to more consulting services have been rendered in 2018 as compared to 2017.

Our revenue by service type is as follows:

| | For the years ended December 31, | | | | | |
|---|----------------------------------|--------|--------------|--------|--------------|--------|
| | 2018 | | 2017 | | Changes | |
| | Amount | % | Amount | % | Amount | % |
| Revenue from Sino-foreign Joint Managed Academic Programs | \$ 2,410,781 | 50.1% | \$ 2,821,602 | 72.6% | \$ (410,821) | -14.6% |
| Revenue from textbook and course material sales | 29,717 | 0.6% | 52,345 | 1.3% | (22,628) | -43.2% |
| Revenue from Overseas Study Consulting Services | 547,521 | 11.4% | 60,947 | 1.6% | 486,574 | 798.4% |
| Revenue from Technological Consulting Services for Smart Campus Solutions | 1,820,974 | 37.9% | 950,992 | 24.5% | 869,982 | 91.5% |
| Total | \$ 4,808,993 | 100.0% | \$ 3,885,886 | 100.0% | \$ 923,107 | 23.8% |

Revenue from Sino-foreign Jointly Managed Academic Programs

Our revenue from Sino-foreign Jointly Managed Academic Programs primarily consists of our cooperation with the following Chinese universities:

(i) Fuzhou Melbourne Polytechnic (FMP)

FMP is currently hosting the Australia English for Academic Purposes Program, or the FMP EAP Program. Before FMP rebranded in January 2017, FMP's former entity operating under the name IEN College of Minjiang University also hosted the International General Education Courses, or IGEC program.

(ii) Strait College of Minjiang University (Strait College)

Strait College is currently hosting the Fujian-Taiwan Universities Joint Talent Training Program. Since January 2017, Strait College has also been hosting the IGEC program after it took over this program from the then IEN College of Minjiang University.

(iii) Fujian University of Technology (FUT)

FUT hosted the Fujian University of Technology International Scholarly Exchange Curriculum Program, or FUT ISEC Program. However, as discussed below, we made a decision to cease recruitment and enrollment activity, and the program was discontinued after the then last class of students graduated in July 2018.

(iv) Fujian Preschool Education College

Fujian Preschool Education College is currently hosting the New Zealand Tertiary College, or NZTC Program. However, as discussed below, we made a decision to cease recruitment and enrollment activity, and the program will be discontinued after the last class of students graduate in July 2019.

| | For the years ended December 31, | | | | | |
|---------------------------------------|----------------------------------|--------|--------------|--------|--------------|--------|
| | 2018 | | 2017 | | Changes | |
| | Amount | % | Amount | % | Amount | % |
| Fuzhou Melbourne Polytechnic | \$ 465,081 | 19.3% | \$ 1,455,013 | 51.6% | \$ (989,932) | -68.0% |
| Strait College of Minjiang University | 1,744,233 | 72.4% | 943,447 | 33.4% | 800,786 | 84.9% |
| Fujian University of Technology | 70,799 | 2.9% | 210,686 | 7.5% | (139,887) | -66.4% |
| Fujian Preschool Education College | 130,668 | 5.4% | 212,456 | 7.5% | (81,788) | -38.5% |
| Total | \$ 2,410,781 | 100.0% | \$ 2,821,602 | 100.0% | \$ (410,821) | -14.6% |

Number of students under joint education programs

| | | | | |
|---------------------------------------|-------|-------|-------|--------|
| Fuzhou Melbourne Polytechnic | 551 | 1,307 | (756) | -57.9% |
| Strait College of Minjiang University | 1,676 | 1,220 | 456 | 37.3% |
| Fujian University of Technology | 51 | 154 | (103) | -67.1% |
| Fujian Preschool Education College | 112 | 196 | (84) | -42.9% |
| Total number of students | 2,390 | 2,877 | (487) | -17.0% |

Average tuition fee the Company received per student

| | | | | |
|---------------------------------------|----------|----------|----------|--------|
| Fuzhou Melbourne Polytechnic | \$ 844 | \$ 1,113 | \$ (269) | -24.2% |
| Strait College of Minjiang University | \$ 1,041 | \$ 773 | \$ 268 | 34.6% |
| Fujian University of Technology | \$ 1,397 | \$ 1,368 | \$ 29 | 2.1% |
| Fujian Preschool Education College | \$ 1,170 | \$ 1,086 | \$ 84 | 7.8% |

Our revenues from Sino-foreign Jointly Managed Academic Programs decreased by \$410,821 or 14.6% from \$2,821,602 in fiscal year 2017 to \$2,410,781 in fiscal year 2018. This decrease can be primarily attributed to a decrease in the number of students by 488 or 17.0%, from 2,877 students in fiscal year 2017 to 2,389 students in fiscal year 2018, and affected by the changes in average tuition fees we collected from Chinese host universities/colleges. The following factors impact the revenue we generate from services provided for joint education programs for the years ended December 31, 2018 and 2017:

(1) In 2018, China's Ministry of Education, or MOE, approved the termination of certain Sino-foreign cooperative education programs as a move to improve quality, tighten regulatory control, and promote reforms in China's educational system. These changes were made because problems had appeared in certain institutions and projects (none of which we service) that were previously approved by the relevant authorities. These problems included insufficient utilization of high quality educational resources, low instructional quality, weak specialized capabilities in academic departments, lack of content-based development mechanisms, low student satisfaction and poor attractiveness of programs, making it difficult for those institutions and projects to continue operating and they were therefore closed down. In order to clarify the above described action by MOE, we made an anonymous phone call inquiry with the MOE. We were informed by the MOE that this action was never taken by MOE before, and that this action was taken to close down institutions and projects that were originally approved but at the time of termination did not have enrolled students any more. We were further informed that the purpose of this action was to improve the overall quality of the industry. In light of this, Fujian Province, the province where all of the Sino-foreign Jointly Managed Academic Programs we service are located, set a minimum score for English (as a subject) for those students who are applying for any four-year Sino-foreign joint programs that offer undergraduate degrees. As a result of these new regulatory controls and policy adjustments, even though none of the programs we service were terminated by the MOE, overall student recruiting and enrollment under our Sino-foreign joint education programs was negatively impacted, because some potential candidates could not meet the minimum score for English. For example, student enrollments under our joint education programs with Strait College of Minjiang University only increased by 456 students from 2017 to 2018, such increase was resulted from the transfer of the 756 students under the IGEC programs originally enrolled with IEN College and not from new enrolled students. Without taking into account this IGEC program transfer from FMP to Strait College of Minjiang University, the total number of students enrolled with Strait College of Minjiang University would have actually decreased by 300 students from 2017 to 2018 due to the higher eligibility requirements for students to enroll in any Sino-foreign joint education programs in Fujian Province. We cannot assure you that the local government in Fujian Province or the MOE will not set an even higher eligibility standard for students to enroll in these joint education programs in the future, in which case our enrollment numbers, result of operations and financial conditions could be negatively impacted.

(2) FMP was formerly known as IEN College of Minjiang University, and our IGEC program (the “Strait IGEC Program”) was previously hosted by IEN College of Minjiang University from September 2013 to July 2017. In January 2017, IEN College of Minjiang University was approved by the provincial government of Fujian and became the first Sino-foreign joint institution with independent legal status in Fujian Province and accordingly changed its name to FMP. As a result of this rebranding, FMP stopped hosting the IGEC program beginning September 2017 and the program was taken over by Strait College of Minjiang University going forward. This led to a decrease in the total number of students enrolled with FMP, from 1,307 students in fiscal year 2017 to 551 students in fiscal year 2018 because students originally enrolled under the IGEC programs have been transferred to Strait College of Minjiang University. Starting September 2017, FMP only continued to provide the FMP EAP Program.

(3) The reason our revenue generated from the Sino-foreign Jointly Managed Academic Program with FMP decreased by \$989,932 or 68.0% from \$1,455,013 in fiscal year 2017 to \$465,081 in fiscal year 2018 can be attributed to two factors: (i) in connection with the transfer of IGEC program from FMP to Strait College of Minjiang University, the total number of enrolled students with FMP decreased by 756, or 57.2%; and (ii) we receive a lower percentage of tuition fees from the FMP EPA Program than from the IGEC program. Under the FMP EPA Program, our services and responsibility only cover the first two-year EAP trainings, but under the Strait IGEC Program, we are responsible for promoting the program, recruiting students, staffing foreign language teachers, and ensuring students are connected with appropriate foreign universities in North America or Europe. Under the FMP EAP Program, the average tuition that FMP charges enrolled students is RMB 18,000 (USD 2,721) per student per school year, of which we are entitled to receive RMB 9,000 (USD 1,360) per student per school year for their freshman years and RMB 3,000 (USD 453) per student per school year for their sophomore years. On the other hand, under the Strait IGEC Program, the average tuition fee that Strait College charges enrolled students is RMB 28,000 per student per school year, of which we receive RMB 9,800 (USD 1,481) per student per school year for the first two years, and then RMB 11,200 (USD 1,693) per student per school year for the remaining two years. Therefore, the tuition fee from Strait IGEC Program is higher than the tuition fee we receive from the FMP EAP Program. As a result of the transfer of the IGEC program from FMP to Strait College, our tuition revenue from FMP decreased by \$989,932 or 68.0% because the average tuition fee decreased from \$1,113 per student in fiscal year 2017 to \$844 per student in fiscal year 2018. On the other hand, our tuition revenue from Strait College increased by \$800,786 or 84.9% because the average tuition fee increased from \$773 per student in fiscal year 2017 to \$1,041 per student in fiscal year 2018.

(4) Our joint programs with Fujian University of Technology (FUT) and Fujian Preschool Education College (FPEC) were originally designed to improve students’ English language skills. However, due to the overall low language proficiency backgrounds of the students enrolled, we noted that most students could not adapt to the high standards of an English teaching environment. For example, a total of 193 students were recruited by FUT under the architecture, civil engineering and software engineering majors in our joint programs with FUT. According to the curriculum designs and outlines, some core courses had to be taught by foreign teachers in English. Therefore, students who could follow the course lecture were those who had adequate English reading, writing and listening skills. However, after those 193 students started these programs, we noted that their overall English language proficiency was low and we had to add Chinese teachers in the classrooms to conduct simultaneous translation and interpretation in order to help the students fully understand the course content. Adding extra teachers for translation doubled our teaching costs as qualified translators were difficult to find and salaries paid to translators roughly amounted to the amount of salaries paid to foreign teachers. In addition, any inappropriate translation could have negatively impacted how our course was perceived and the value of such course to our existing and prospective students. Our joint program with FPEC provides Chinese students with the opportunity to enroll in courses delivered by New Zealand Tertiary College (“NZTC”). Upon completion of this program, students would receive a Ministry of Education, or MOE, Diploma in Early Childhood Education in the PRC and a certificate in Early Childhood Teaching issued by NZTC. This program is a three-year education degree program in which students may choose to complete their first two-years of education in China and go to NZTC for their third-year and final year in the program, or, alternatively, to stay with the Chinese host college for the entire three years of study. Since we launched this program, approximately 300 students have been recruited into this program. However, most of the enrolled students had low English language proficiency, which led to limited number of students choosing to study abroad in New Zealand. As of the date of this prospectus, only 3 students have decided to go to New Zealand after finishing the first two-year education with the Chinese host college. NZTC did request that we send more students to NZTC for purposes of increasing their revenue. However, based on our assessment, in order for us to train existing students to meet the minimum language requirements for studying abroad, we would have to add one more year of English courses to existing students, which would significantly increase our teaching costs. Additionally, most of our existing students are reluctant to extend their education by an additional year since they can find a job in the market relatively easily after obtaining the certificate in Early Childhood Teaching issued by FPEC.

Therefore, the Sino-foreign Jointly Managed Academic Programs with these two institutions became increasingly less attractive and less profitable. As a result, we decided to stop recruiting and enrolling new students into the FUT ISEC Program after the Class of July 2018 graduated. We also decided to suspend recruiting for the NZTC Program after current students graduate in July 2019. As a result of such business decision, the number of students enrolled in FUT decreased by 67.1% from 154 students in fiscal year 2017 to 51 students in fiscal year 2018, and the number of students enrolled in FPEC decreased by 42.9% from 196 students in fiscal year 2017 to 112 students in fiscal year 2018. The average tuition fee we collected from Sino-foreign Jointly Managed Academic Programs was adjusted. As a result, average tuition fee collected from FUT and FPEC slightly increased by 2.1% and 7.8% in fiscal year 2018 as compared to fiscal year 2017, respectively. Consequently, the decrease in tuition revenue from both FUT and FPEC resulted from decrease in number of enrolled students and was offset by the increase in average tuition fee.

Revenue from textbooks and course material sales

In order to ensure the quality of the course content delivered to students and to meet international standards, we have developed and edited more than 16 English textbooks and course materials with an emphasis on language training, and distributed these materials to students enrolled under our Sino-foreign joint education programs. Revenue from sales of textbooks and course materials decreased by \$22,628 or 43.2% from \$52,345 in fiscal year 2017 to \$29,717 in fiscal year 2018. The decrease in textbook and course material sales was primarily attributable to the total number of students enrolled under the joint education programs which decreased from 2,877 students in fiscal year 2017 to 2,389 students in fiscal year 2018. As discussed above, we stopped recruiting and enrolling new students into the FUT ISEC Program with FUT after the then existing students graduated in July 2018. We also suspended recruiting for the NZTC Program with FPEC after current students graduate in July 2019. As a result of such business decision, the number of students enrolled with FUT decreased by 67.1% from 154 students in fiscal year 2017 to 51 students in fiscal year 2018, and the number of students enrolled with FPEC decreased by 42.9% from 196 students in fiscal year 2017 to 112 students in fiscal year 2018. As a result of this business decision, for the academic school year starting from September 2018, there were no additional new students recruited into the joint education programs with these two academic institutions. Accordingly, we reduced the textbooks and course material sales in 2018. The total number of textbooks and course materials sold decreased by 11.4% from 3,591 in fiscal year 2017 to 3,183 in fiscal year 2018. In addition, for our Sino-foreign Jointly Managed Academic Programs with FMP, in 2018, FMP made some teaching course content and curriculum settings adjustment, which led to FMP purchase textbooks and course materials from other vendors in order to match the new curriculum settings. As a result, our textbook sales to FMP reduced accordingly.

Revenue from Overseas Study Consulting Services

| | For the years ended December 31, | | | |
|--|----------------------------------|-----------|------------|--------|
| | 2018 | 2017 | Changes | |
| | | | Amount | % |
| Revenue from overseas study consulting services | \$ 547,521 | \$ 60,947 | \$ 486,574 | 798.4% |
| Number of students for study abroad consulting service | 49 | 7 | 42 | 600.0% |
| Average consulting service fee per student | \$ 11,174 | \$ 8,707 | \$ 2,467 | 28.3% |

Our Overseas Study Consulting Services target those students who wish to study in foreign countries to enrich their learning experiences, expand their horizons, and gain exposure to a broader array of employment opportunities. We provide customized consulting services to students on an individual basis. Fees we charge students to provide overseas study consulting services range from RMB 50,000 (\$7,558) per person to RMB 80,000 (\$12,093) per person. We typically charge higher consulting service fees to students planning to pursue art majors in foreign countries than we do for students pursuing general majors such as business, technology and other majors, because art programs typically require demonstration of a student's specialty in art, which is usually reflected in an art portfolio that the student submits along with other application materials. We have to assign qualified teachers to provide more detailed and customized tutoring to these students pursuing art majors and accordingly we charge them higher consulting service fee.

Revenue from providing study abroad consulting services increased by \$486,574 or 798.4%, from \$60,947 in fiscal year 2017 to \$547,521 in fiscal year 2018. The increase was due to an increased number of students who came to us for study abroad consulting services, from 7 students in fiscal year 2017 to 49 students in fiscal year 2018. In addition, we served more students pursuing art major in fiscal year 2018 than in fiscal year 2017. As a result, our average service fee increased by 28.3% from \$8,707 per student in fiscal year 2017 to \$11,174 per student in fiscal year 2018.

Revenue from Technological Consulting Services for Smart Campus Projects

| | For the years ended December 31, | | | |
|---|----------------------------------|------------|------------|---------|
| | 2018 | 2017 | Changes | |
| | Amount | Amount | Amount | % |
| Fuzhou Melbourne Polytechnic | \$ 1,670,450 | 700,592 | \$ 969,858 | 138.4% |
| Strait College of Minjiang University | - | 215,642 | (215,642) | -100.0% |
| Fujian High School and others | - | 34,758 | (34,758) | -100.0% |
| Capital normal university | 84,574 | - | 84,574 | 100.0% |
| Beijing University of Chinese Medicine | 38,365 | - | 38,365 | 100.0% |
| University of International Business and Economics and others | 27,585 | - | 27,585 | 100.0% |
| Total | \$ 1,820,974 | \$ 950,992 | \$ 869,982 | 91.5% |

Revenue from providing smart campus related technological consulting service increased by \$869,982 or 91.5% from \$950,992 in fiscal year 2017 to \$1,820,974 in fiscal year 2018, primarily due to increased revenues recognized from the smart campus project with Fuzhou Melbourne Polytechnic. In 2017, we entered into a contract with FMP to provide a total solution for its smart campus project, which includes a big data center, digital classrooms, and an experience-based simulation teaching center for its business school. These facilities will be linked and bundled with the campus data management application system software to create a smart campus for FMP. In addition to the installation of hardware and software to allow the smart campus system to meet its expected operational conditions, we are also responsible for maintenance and providing continuing technological support during the period of 2019 to 2021. The total contract price under the FMP “smart campus” project is RMB 16.68 million (approximately \$2.4 million) for completion of the software and hardware installation. Post-installation maintenance and continuing technical support fees amount to RMB 5.05 million (approximately \$0.73 million). Based on the contract payment terms, after completion of the required smart campus project, FMP is obligated to make three installment payments of RMB 5.56 million (approximately \$808,593) each in 2019, 2020 and 2021, respectively. Among the RMB 5.05 million maintenance and support fee, RMB 1.04 million (USD \$151,644) contract receivable for maintenance and technical support services rendered in 2018 has been received in January 2019. The remaining RMB 4.01 million (approximately \$0.58 million) post-contract maintenance and technical support fee will be paid in three equal installments in 2019 to 2021 when services are rendered. We recognized revenue of \$700,592 from the technology services we provided to FMP for its smart campus project in 2017. Services we provided included setting up the required hardware device and facilities such as digital portal, electronic blackboards, smartboards, projectors, LED display panels, high definition classroom audio and sound system, as well as data management software that could be linked together to bring the contracted digital classroom project to completion, which passed the inspection and was accepted by FMP. Therefore, our smart campus solutions revenue in 2017 was primarily generated from completion of the above-described digital classroom project for FMP. In 2018, we recognized more revenue from our FMP smart campus project. We upgraded the experiment centers for FMP’s business school and completed the big data center project through bundling of data management software with hardware facilities and device. We also bundled the data management software. These services were completed, passed inspection and were accepted by FMP. FMP put these facilities into use by November 2018. As a result, we recognized \$1,670,450 revenue in 2018 from FMP smart campus projects.

In addition to the smart campus project with FMP, we were also involved with a campus server rooms upgrade project for Strait College of Minjiang University in 2017, and generated revenue of \$215,642. We also provided smart campus solution consulting services to Capital Normal University, Beijing University of Chinese Medicine and University of International Business and Economics in 2018 and generated revenue of \$84,574, \$38,365 and \$27,585, respectively. The increase in our exposure and cooperation with more academic institutions on smart campus-related projects also helped us increase our revenue in 2018 as compared to 2017.

Cost of Revenues

| | For the years ended December 31, | | | |
|---|----------------------------------|--------------|------------|--------|
| | 2018 | 2017 | Changes | % |
| Teacher salary, welfare benefit and insurance | \$ 877,292 | \$ 801,909 | \$ 75,383 | 9.4% |
| Textbook and course materials | 19,490 | 46,532 | (27,042) | -58.1% |
| Travel, meals and entertainment expense relating to teaching activities | 34,040 | 38,633 | (4,593) | -11.9% |
| Apartment rent expense for teachers | 145,225 | 109,106 | 36,119 | 33.1% |
| Hardware and software application costs for “smart campus” projects | 1,249,445 | 774,347 | 475,098 | 61.4% |
| Professional fees for course design, teacher training | 331,222 | 340,626 | (9,404) | -2.8% |
| Business tax | 31,776 | 29,063 | 2,713 | 9.3% |
| Others | 13,807 | 21,106 | (7,299) | -34.6% |
| Total cost of revenue | \$ 2,702,297 | \$ 2,161,322 | \$ 540,975 | 25.0% |

Our cost of revenues consists of salary, welfare and insurance costs for our faculty, rent expense for foreign faculty, textbook and course materials costs, travel, meals and entertainment expenses associated with teaching activities, consulting fees paid to third-parties for course design and teacher training, hardware parts and components purchase costs as well as labor costs incurred to undertake the software application customization for the smart campus projects, and business taxes. Our overall cost of revenue increased by \$540,975 or 25.0% from \$2,161,322 in fiscal year 2017 to \$2,702,297 in fiscal year 2018, primarily due to increased hardware and software costs associated with the smart campus projects of \$475,098, increased rent expense of \$36,119 because we leased larger office space in 2018 in order to meet our expanded business operation, and increased salary, welfare and insurance costs for teachers and faculty by \$75,382 because we hired more qualified teachers to provide one-on-one tutoring to the students for our overseas studying consulting services. Our cost of revenue accounted for 56.2% and 55.6% of our total revenue for the years ended December 31, 2018 and 2017, respectively.

Our cost of revenue by business segment is as follows:

| | For the years ended December 31, | | | |
|---|----------------------------------|--------------|-------------|--------|
| | 2018 | 2017 | Changes | % |
| Cost associated with Sino-foreign Jointly Managed Academic Programs | \$ 1,155,854 | \$ 1,175,646 | \$ (19,792) | -1.7% |
| Cost associated with Overseas Study Consulting Services | 64,321 | 49,765 | 14,556 | 29.2% |
| Cost associated with Technological Consulting Services for Smart Campus related | 1,462,435 | 889,379 | 573,056 | 64.4% |
| Cost associated with textbooks and course materials sales | 19,687 | 46,532 | (26,845) | -57.7% |
| Total cost of revenue | \$ 2,702,297 | \$ 2,161,322 | \$ 540,975 | 25.0% |

Cost of revenues associated with Sino-foreign Jointly Managed Academic Programs decreased by \$19,792 or 1.7% from \$1,175,646 in fiscal year 2017 to \$1,155,854 in fiscal year 2018, primarily due to decreased costs associated with faculty involvement as the total number of students enrolled under the Sino-foreign joint education programs decreased from 2,877 students in fiscal year 2017 to 2,389 students in fiscal year 2018.

Cost of revenues associated with Overseas Studying Consulting Services increased by \$14,556 or 29.2%, from \$49,765 in fiscal year 2017 to \$64,321 in fiscal year 2018. We launched the study abroad consulting services in April 2017 and only provided consulting services to 7 students in fiscal year 2017, as compared to 49 students served in 2018. As a result, we incurred higher costs in fiscal year 2018 as we placed greater emphasis on student coaching efforts to help prepare students for school selection, school applications, language training, and visa applications.

Cost of revenues associated with Technological Consulting Services for Smart Campus Solutions increased by \$573,056 or 64.4%, from \$889,379 in fiscal year 2017 to \$1,462,435 in fiscal year 2018. This increase was in line with the increased revenue we recognized in 2018. In 2017, we entered into a contract with FMP to help FMP implement a comprehensive solution for its smart campus project, which includes a big data center, digital classrooms, and an experience-based simulation teaching center for its business school. We completed part of the hardware facility installation in 2017 and completed all of the remaining hardware and software projects by November 2018, all of which have passed inspection and were accepted by FMP. As a result, more hardware components purchase costs and installation related labor costs have been allocated in 2018 as compared to 2017. In addition to the FMP smart campus projects, in 2018, we also provided smart campus solution consulting services to Capital Normal University, Beijing University of Chinese Medicine and University of International Business and Economics. The increase in our revenues corresponds to the increased cost of revenues associated with these smart campus projects in 2018 as compared to fiscal year 2017.

Cost of revenue associated with textbook and course material sales decreased by \$26,845 or 57.7% from \$46,532 in fiscal year 2017 to \$19,687 in fiscal year 2018. The decrease was in line with a decrease in number of textbooks and course materials delivered, which resulted from a decrease in the number of students enrolled under the Sino-foreign jointly managed and delivered academic programs.

Gross profit

| | For the years ended December 31, | | | | | |
|--|----------------------------------|--------------|---------------------|--------------|-------------------|--------------|
| | 2018 | | 2017 | | Changes | |
| | Amount | % | Amount | % | Amount | % |
| Gross profit from Sino-foreign Jointly Managed Academic Programs | \$ 1,254,927 | 52.1% | \$ 1,645,956 | 58.3% | \$ (391,029) | -6.2% |
| Gross profit from textbook and course material sales | 10,030 | 33.8% | 5,813 | 11.1% | 4,217 | 22.7% |
| Gross profit from Overseas Study Consulting Services | 483,200 | 88.3% | 11,182 | 18.3% | 472,018 | 70.0% |
| Gross profit from Technological Consulting Services for Smart Campus | 358,539 | 19.7% | 61,613 | 6.5% | 296,926 | 13.2% |
| Total | \$ 2,106,696 | 43.8% | \$ 1,724,564 | 44.4% | \$ 382,132 | -0.6% |

Our overall gross profit increased by \$382,132 or 22.2% from \$1,724,564 in fiscal year 2017 to \$2,106,696 in fiscal year 2018, while gross profit margin decreased by 0.6% from 44.4% in fiscal year 2017 to 43.8% in fiscal year 2018.

Our gross profit associated with Sino-foreign Jointly Managed Academic Programs decreased by \$391,029, from \$1,645,956 in fiscal year 2017 to \$1,254,927 in fiscal year 2018, because tuition we received under the joint education programs decreased by \$410,821 when the total number of students enrolled under these programs decreased by 488 from 2,877 students in 2017 to 2,389 students in 2018. Although this decrease in the number of students led to a decreased associated cost of revenue by \$19,792 when we reduced the faculty involvement, we still carried higher overhead costs, such as rent expense, teaching and supporting related costs in order to keep the joint education programs running, irrespective of how many students were left within each joint education program. Our gross margin associated with such joint education programs also decreased by 6.2% from 58.3% in fiscal year 2017 to 52.1% in fiscal year 2018.

Our gross profit associated with sales of textbook and course material increased by \$4,218, from \$5,813 in fiscal year 2017 to \$10,030 in fiscal year 2018, because the cost of revenues associated with our textbook sales was \$46,532 in 2017, as compared to \$19,687 in 2018. The higher costs of revenue of \$26,845 in 2017 can be attributed to higher textbook printing costs in 2017 than in 2018. As a result, gross profit associated with the textbook sales in 2017 was lower than that of 2018.

Our gross profit associated with Overseas Study Consulting Services increased by \$472,018, from \$11,182 in fiscal year 2017 to \$483,200 in fiscal year 2018, due to increased recognized revenue of \$486,574 when the number of students subscribed to our study abroad consulting services increased from seven students in 2017 to 49 students in 2018. Gross profit margin in this segment increased by 70.0% from 18.3% in fiscal year 2017 to 88.3% in fiscal year 2018 because we assisted more students pursuing art majors, for whom we charged higher service fees than we normally charge to students pursuing other majors with international academic institutions.

Our gross profit associated with Technological Consulting Services for Smart Campus Solutions increased by \$296,926, from \$61,613 in fiscal year 2017 to \$358,539 in fiscal year 2018. The smart campus projects normally leverage hardware such as sensors, internet of things devices such as digital portals, electronic blackboards, smartboards, projectors, LED display panels, high definition classroom audio and sound systems and other lab-based equipment, together with data management applications, to create total solutions for targeted Chinese universities. In order to complete each individual project, we need to purchase parts and hardware components from outside vendors, to be used in conjunction with our data management software or other solutions. Our profit margin is affected by the fluctuation of the purchase price of the applicable hardware, purchase channels, and the price we paid to laborers in the installation process. Additionally, our engagement under each contract may include different tasks and jobs, some of them only require limited hardware purchase and put more focus on the software side, while others may require more hardware components to be included. Normally, software components have higher margin than hardware components. All of these factors impact our gross margin for each reporting period. Our gross margin in fiscal year 2018 was higher than in fiscal year 2017, because the 2017 smart campus projects with FMP primarily related to 40 digital classrooms, which required more hardware components (such as digital portal, electronic blackboards, smartboards, projectors, LED display panels, high definition classroom audio and sound system) purchase. In addition, the 2017 smart campus project with Strait College of Minjiang University primarily related to server rooms upgrade, which also required more hardware components purchased from external third-party suppliers. As more purchased hardware components instead of software components were used in these smart campus projects, our gross margin in 2017 was only 6.5%. In 2018, our smart campus project with FMP primarily consisted of upgrades of experiment centers for the business school and completion of the big data center through bundling of data management software with hardware facilities and device. Additionally, we gradually reduced hardware components for FMP and focused more on FMP's software and application, as well as maintenance and technical support. In addition, our other smart campus projects, i.e., projects with Capital Normal University, Beijing University of Chinese Medicine and University of International Business and Economics were all focused on higher-margin campus data management system upgrades, and as a result, our gross profit margin in 2018 from smart campus projects reached 19.7%.

Operating expenses

The following table sets forth the breakdown of our operating expenses for the fiscal years ended December 31, 2018 and 2017

| | For the years ended December 31, | | | | Change | |
|-------------------------------------|----------------------------------|--------|------------|--------|------------|-------|
| | 2018 | % | 2017 | % | Amount | % |
| Selling expenses | \$ 704,060 | 54.9% | \$ 541,424 | 57.0% | \$ 162,636 | 30.0% |
| General and administrative expenses | 579,500 | 45.1% | 408,762 | 43.0% | 170,738 | 41.8% |
| Total operating expenses | \$ 1,283,560 | 100.0% | \$ 950,186 | 100.0% | \$ 333,374 | 35.1% |

Selling expenses

Our selling expenses primarily include expenses incurred for various sales activities, advertisings, payroll expense paid to our sales and marketing personnel as well as shipping and delivery expenses. Selling expenses increased by \$162,636 or 30.0% from \$541,424 in 2017 to \$704,060 in 2018. This increase in selling expenses can be attributed primarily due to an increase in our brand advertising expenses by \$19,469, an increase in salary and employee welfare benefit expenses by \$117,907 resulting from our hiring of additional sales and marketing personnel to promote our business, an increase of entertainment expenses associated with sales activities by \$16,657, and an increase of business travel and transportation expenses by \$22,781 for marketing and promotion activities. As a percentage of revenues, our selling expenses accounted for 14.6% and 13.9% of our total revenue for the years ended December 31, 2018 and 2017, respectively. The increase in selling expenses is consistent with the increase of revenues. We expect that our overall sales and marketing expenses, including but not limited to, advertising expenses, brand promotion expenses and salaries, will continue to increase in the foreseeable future if our business further grows.

General and Administrative Expenses

Our general and administrative expenses primarily consist of employee salaries, welfare and insurance expenses, depreciation and professional service expenses. General and administrative expenses increased by \$170,738 or 41.8% from \$408,762 in 2017 to \$579,500 in 2018, primarily due to an increase in salaries, welfare expenses and insurance expenses by \$74,926, when we hired more administrative employees and expanded our management team to meet the business growth demand, an increase of professional consulting fees by \$82,473 and increased property management fees by \$10,124. As a percentage of revenues, general and administrative expenses were 12.1% and 10.5% of our revenue in 2018 and 2017, respectively. We expect our general and administrative expenses, including, but not limited to, salaries and business consulting expenses, to continue to increase in the foreseeable future, as our business further grows. We expect our professional fees for legal, audit, and advisory services to increase as we become a public company upon the completion of this offering.

Interest Income

Our interest income increased by \$18,183 or 25.7%, from \$70,743 in 2017 to \$88,926 in 2018. On March 17, 2017, we advanced a \$1,997,726 (RMB 13 million) interest bearing short-term loan to a third party Jinjiang Hengfeng Trading Co., Ltd. (“Hengfeng”) as working capital, with interest rate of 4.8% per annum and a maturity date of September 19, 2017. Immediately before the maturity date, on September 5, 2017, the Company and Hengfeng signed a supplemental agreement to extend the maturity date to December 19, 2018 with adjusted interest rate of 5% per annum. The loan was guaranteed by a third party Fujian Rongde Cotton Spinning Co., Ltd. As a result of the interest rate adjustment in 2018, we reported higher interest income on the third-party loan in 2018 as compared to 2017.

Other Income

Our other income primarily includes government subsidies in the form of immediate refund of the levied VAT tax back to us, as an incentive to encourage education service provider like us to expand the business. Total government subsidy amounted to \$177,160 and \$158,625 for the years ended December 31, 2018 and 2017, respectively. In addition, we used cash to buy bank financial product and generated short-term investment income of \$3,500 and \$29,747 for the years ended December 31, 2018 and 2017. As a result, total other income was \$180,191 in 2018 and \$187,794 in 2017.

Provision for Income Taxes

Our provision for income taxes was \$167,813 in 2018, an increase of \$9,704 from \$158,109 in 2017 due to our increased taxable income. The principal business of our subsidiary, China Liberal Beijing, is performed in the PRC, and is therefore subject to PRC income tax, which is computed according to the relevant laws and regulations in the PRC. As a High and New Technology Enterprises (“HNTEs”), China Liberal Beijing is entitled to a reduced income tax rate of 15% instead of 25%, beginning December 2016, which is valid for three years. Accordingly, our income taxes provision for fiscal 2018 and 2017 were reported at a reduced rate of 15% as a result of China Liberal Beijing being approved as a HNTE. The impact of the tax holidays noted above decreased foreign taxes by \$105,864 and \$100,549 for the years ended December 31, 2018 and 2017, respectively. The benefit of the tax holidays on net income per share (basic and diluted) was \$0.02 and \$0.02 for the years ended December 31, 2018 and 2017, respectively.

Net Income

As a result of the foregoing, we reported a net income of \$924,440 for the fiscal year ended December 31, 2018, representing a \$49,634 increase from a net income of \$874,806 for the fiscal year ended December 31, 2017.

Net income attributable to non-controlling interest

Non-controlling interests represent five minority shareholders’ 8.8228% ownership interest in our major operating subsidiary China Liberal Beijing. In December 2017, five minority shareholders contributed an aggregate of RMB 2,952,206 (approximately \$453,669) cash into China Liberal Beijing, for an aggregate of 8.8228% ownership interest. Net income attributable to non-controlling interest increased by \$75,979 for fiscal year 2018 as compared to fiscal year 2017, because five individual minority shareholders completed the cash injection and registration in December 2017 and only a small portion of our fiscal year 2017 net income was allocated to non-controlling shareholders in 2017. However, we allocated more net income to non-controlling shareholders in fiscal year 2018 because these minority shareholders still held the ownership interest in China Liberal Beijing as of December 31, 2018.

Net income attributable to the Company

As a result of the above, net income attributable to the Company decreased by \$26,345, or 3.0%, from \$869,006 in fiscal year 2017 to \$842,661 in fiscal year 2018.

B. Liquidity and Capital Resources

To date, we have financed our operations primarily through cash flow from operations and working capital loans from our major shareholders, when necessary. We plan to support our future operations primarily from cash generated from our operations and cash on hand.

As of December 31, 2018, we had \$2,077,166 in cash on hand as compared to \$7,970 as of December 31, 2017. We also had \$833,174 in accounts receivable for consulting services rendered, including \$346,332 in accounts receivable from overseas study consulting services, \$486,842 in tuition receivable from Sino-foreign Jointly Managed Academic Programs.

| | December 31, 2018 | December 31, 2017 |
|---|----------------------|----------------------|
| Accounts receivable- Overseas Study Consulting Services | \$ 346,332 | \$ - |
| Accounts receivable- Sino-foreign Jointly Managed Academic Programs | 486,842 | 632,724 |
| Less: allowance for doubtful accounts | - | - |
| Accounts receivable, net | <u>\$ 833,174</u> | <u>\$ 632,724</u> |

Most of our accounts receivable as of December 31, 2018 and 2017 were aged less than 3 months. Between January and March 2019, we have fully collected the December 31, 2018 accounts receivable balances of \$486,842 associated with Sino-foreign Jointly Managed Academic Programs and \$346,332 associated with our overseas study consulting services.

As of December 31, 2018, we also had outstanding contract receivable of \$2,577,423 derived from providing smart campus technological consulting services to FMP:

| | December 31, 2018 | December 31, 2017 |
|---|----------------------|----------------------|
| Contract receivable- “Smart Campus” related technological consulting services | \$ 2,425,779 | \$ 845,050 |
| Contract receivable- “Smart campus” project maintenance and technical support fee | 151,644 | - |
| Less: allowance for doubtful accounts | - | - |
| Total contract receivable, net | 2,577,423 | 845,050 |
| Less: current portion of contract receivable | 960,237 | 160,270 |
| Contract receivable, non-current | <u>\$ 1,617,186</u> | <u>\$ 684,780</u> |

For contract receivable associated with smart campus technological consulting services, our contract with FMP for providing smart campus solution related technological consulting services has the following payment schedule:

| Payment term | RMB | USD |
|--------------|-------------------|---------------------|
| 2019 | 5,561,180 | \$ 808,593 |
| 2020 | 5,561,180 | 808,593 |
| 2021 | 5,561,180 | 808,593 |
| Total | <u>16,683,540</u> | <u>\$ 2,425,779</u> |

Based on the above schedule, as of December 31, 2018, \$808,593 contract receivable aged above 1 year was scheduled to be settled by FMP within 2019. Subsequently in April 2019, FMP made a payment of RMB 2 million (USD \$290,799) to us as part of the 2019 payment and we expect to collect the remaining \$517,794 from FMP by October 2019.

We believe the contract receivable related to smart campus projects are fully collectible based on the payment terms and based on our continuing cooperation with our partner Chinese universities. The collection of our accounts and contract receivable will make cash available use in our operation as working capital, if necessary.

As of December 31, 2018, we also had deferred revenue of \$149,560 derived from customer deposits for consulting services. Such amounts will be recognized as revenue as our consulting services are rendered.

As of December 31, 2018, we had positive working capital of \$3,533,188. Our working capital requirements are influenced by the level of our operations, the numerical volume and dollar value of our sales contracts, the progress of execution on our customer contracts, and the timing of accounts receivable collections.

We believe that our current cash and cash flows provided by operating activities, loans from our principal shareholders, and the estimated net proceeds from this offering will be sufficient to meet our working capital needs in the next 12 months from the date the audited financial statements were issued. If we experience an adverse operating environment or incur unanticipated capital expenditure requirements, or if we decide to accelerate our growth, then additional financing may be required. We cannot guarantee, however, that additional financing, if required, would be available at all or on favorable terms. Such financing may include the use of additional debt or the sale of additional equity securities. Any financing which involves the sale of equity securities or instruments that are convertible into equity securities could result in immediate and possibly significant dilution to our existing shareholders.

In the coming years, we will be looking to other sources, such as raising additional capital by issuing shares of stock, to meet our cash needs. While facing uncertainties in regards to the size and timing of capital raises, we are confident that we can continue to meet operational needs solely by utilizing cash flows generated from our operating activities and shareholder working capital funding, as necessary.

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

| | For the Years Ended December 31, | |
|---|---|-----------------|
| | 2018 | 2017 |
| Net cash provided by (used in) operating activities | \$ 261,816 | \$ (3,715,193) |
| Net cash provided by investing activities | 1,881,329 | 2,833,955 |
| Net cash provided by financing activities | 8,094 | 455,249 |
| Effect of exchange rate change on cash | (82,043) | (4,738) |
| Net increase (decrease) in cash | 2,069,196 | (430,727) |
| Cash, beginning of year | 7,970 | 438,697 |
| Cash, end of year | <u>\$ 2,077,166</u> | <u>\$ 7,970</u> |

Operating Activities

Net cash provided by operating activities was approximately \$261,816 in 2018, primarily consisted of the following:

- Net income of \$924,440 for the year;
- An increase in accounts receivable of \$243,769 because we provided increased overseas study consulting services to students and we had portion of tuition receivable from Sino-foreign Jointly Managed Academic Programs not collected back as of the balance sheet date. We fully collected our December 31, 2018 outstanding accounts receivable during the period of January to March 2019.
- An increase in contract receivable of \$1,848,073 because we provided technological consulting services to FMP for “smart campus” solutions, these amounts represent services rendered, billed but not received as of the balance sheet date. Based on our contract payment term with FMP, these outstanding contract receivable will be paid in three installment payment during 2019 to 2021. Subsequently in January 2019, we received \$151,644 smart campus project maintenance support fee from FMP for our maintenance support services rendered in 2018. In addition, As of December 31, 2018, \$808,593 contract receivable aged above 1 year was scheduled to be settled by FMP within 2019. Subsequently in April 2019, FMP made a payment of RMB 2 million (USD \$290,799) to us as part of the 2019 payment and we expect to collect the remaining \$517,794 from FMP by October 2019.
- A decrease in advance to suppliers by \$1,484,014 because in 2017 we made advance payments to suppliers for purchase of materials and equipment to be used in the smart campus projects and we received the purchase in 2018;
- An increase of prepaid expenses and other current assets by \$130,282 due to increased temporary cash advance to sales and marketing employees to expand our business, these amount were not reimbursed as of the balance sheet date and will be reimbursed in subsequent accounting period; and increased interest receivable on third party loan receivable when the interest rate was adjusted from original 4.8% per annum in 2017 to 5% per annum in 2018; and
- An increase in taxes payable by \$78,988 due to increased taxable income for 2018.

Net cash used in operating activities was approximately \$3,715,193 in 2017, primarily consisted of:

- Net income of \$874,806 for the year; offset by
- An increase in accounts receivable of \$552,457 because we had portion of tuition receivable from Sino-foreign Jointly Managed Academic Programs not collected back as of the balance sheet date. We fully collected our December 31, 2017 outstanding accounts receivable during the period of January to February 2018.
- An increase in contract receivable of \$813,737 because we started to provide technological consulting services to FMP for “smart campus” solutions in 2017, these amounts represent services rendered, billed but not received as of the balance sheet date. We completed the digital classroom projects for FMP in 2017 and accordingly recognized revenue when such services were completed, passed inspection and were accepted by FMP.
- An increase in advance to suppliers by \$1,471,166 because we made advance payments to suppliers for purchase of materials and equipment to be used in the smart campus projects;
- A decrease in deferred revenue by \$1,847,265 when previously received tuition payments from the Sino-foreign Jointly Managed Academic Programs have been recognized as revenue when revenue recognition criteria have been met.

Investing Activities

Net cash provided by investing activities amounted to \$1,881,329 for the year ended December 31, 2018, primarily consist of:

- Purchase of property and equipment of \$83,515 and
- A collection of third-party loan receivables by \$1,964,844. On March 17, 2017, we advanced an interest-bearing short-term loan in the amount of \$1,964,844 (RMB 13 million) to an unrelated third party, Jinjiang Hengfeng Trading Co., Ltd. (“Hengfeng”), as working capital, bearing an interest rate of 4.8% per annum with a maturity date of September 19, 2017. Immediate before the maturity date, on September 5, 2017, the Company and Hengfeng signed a supplemental agreement to extend the maturity date to December 19, 2018 with an adjusted interest rate of 5% per annum. The loan was guaranteed by another non-related third party Fujian Rongde Cotton Spinning Co., Ltd.

Net cash provided by investing activities amounted to \$2,833,955 for the year ended December 31, 2017, primarily consisting of:

- Purchase of property and equipment of \$9,353;
- An increase in loan receivable by \$1,923,703 because, on March 17, 2017, we advanced an RMB 13 million interest bearing short-term loan to a non-related third party, Jinjiang Hengfeng Trading Co., Ltd. (“Hengfeng”), as working capital, bearing interest rate of 4.8% per annum with maturity date on September 19, 2017.
- At the same time, we collected back a short-term interest bearing loan of \$443,931 (RMB 3 million) that we advanced to another non-related third-party individual in 2016 at interest rate of 4.35% per annum.
- In addition, in late 2016, we planned to expand our business into the kindergarten education sector and made an investment deposit of RMB 11.2 million with third-party Haixi Baby Early Childhood Education Center (“Haixi”) in an attempt to acquire Haixi after the due diligence is completed. The intended acquisition was terminated in early 2017 and the investment deposit of RMB 11.2 million (USD \$1,659,491) was refunded back to us in 2017;
- Furthermore, in 2016, we used cash of RMB18 million (equivalent to \$2,663,589) to purchase a wealth management product from China Bank of Communication for 180 days in order to earn interest income at 4.8% interest rate per annum. This short-term investment was collected back upon maturity in 2017.

Financing Activities

Net cash provided by financing activities amounted to \$8,094 for the year ended December 31, 2018 and primarily consist of borrowings from related parties as working capital. Such borrowing are non-interest bearing and due on demand.

Net cash provided by financing activities amounted to \$455,249 for the year ended December 31, 2017, primarily consisting \$453,669 capital contribution by five minority shareholders. In 2017, five individual shareholders contributed an aggregate of RMB2.95 million (approximately \$453,669) into our main operating subsidiary China Liberal Beijing for an 8.8228% ownership interest and such amount was used to increase the paid-in capital of China Liberal Beijing. In addition, we also borrowed \$1,580 from related parties as working capital.

Contractual obligations

Our main operating subsidiary China Liberal Beijing leases office spaces for its headquarter office and local branches under non-cancelable operating lease agreements with various expiration dates between 2019 and 2022. Rent expense for the years ended December 31, 2018 and 2017 was \$271,585 and \$229,525, respectively.

As of December 31, 2018, our obligation under the operating leases for minimum rentals is as follows:

For the Twelve Months Ended December 31,

| | | |
|------|----|----------------|
| 2019 | \$ | 305,808 |
| 2020 | | 282,364 |
| 2021 | | 277,078 |
| 2022 | | 110,466 |
| | \$ | <u>975,716</u> |

Trend Information

Other than as disclosed elsewhere in this registration statement, we are not aware of any trends, uncertainties, demands, commitments, or events that are reasonably likely to have a material effect on our net revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements as of December 31, 2018.

Inflation

Inflation does not materially affect our business or the results of our operations.

Seasonality

Seasonality affects our business or the results of our operations to some extent. We have experienced, and expect to continue to experience, seasonal fluctuations in our operations, primarily due to seasonal changes in student enrollments. Historically, our one-on-one consulting services tend to have the largest student enrollments in our third and fourth fiscal quarters, which run from July 1 to December 31 of each year, primarily because many students enroll in our courses to prepare for admissions and assessment tests in subsequent school terms, and the Sino-foreign joint programs typically make payments to us for our language training courses in October or November based on their student enrollments in the fall.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements. These financial statements are prepared in accordance with U.S. GAAP, which requires us to make estimates and assumptions that affect the reported amounts of our assets and liabilities and revenues and expenses, to disclose contingent assets and liabilities on the date of the consolidated financial statements, and to disclose the reported amounts of revenues and expenses incurred during the financial reporting period. The most significant estimates and assumptions include the valuation of accounts receivable, advances to suppliers, useful lives of property and equipment, the recoverability of long-lived assets, provision necessary for contingent liabilities, and revenue recognition. We continue to evaluate these estimates and assumptions that we believe to be reasonable under the circumstances. We rely on these evaluations as the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from those estimates. Some of our accounting policies require higher degrees of judgment than others in their application. We believe critical accounting policies as disclosed in this prospectus reflect the more significant judgments and estimates used in preparation of our consolidated financial statements.

The following critical accounting policies rely upon assumptions and estimates and were used in the preparation of our consolidated financial statements:

Uses of estimates

In preparing the consolidated financial statements in conformity with US GAAP, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on information as of the date of the consolidated financial statements. Significant estimates required to be made by management include, but are not limited to, the valuation of accounts receivable, advances to suppliers, useful lives of property and equipment, the recoverability of long-lived assets, provision necessary for contingent liabilities and revenue recognition. Actual results could differ from those estimates.

Accounts and contract receivable, net

Accounts and contract receivable are recognized and carried at original invoiced amount less an estimated allowance for uncollectible accounts.

The Company determines the adequacy of reserves for doubtful accounts based on individual account analysis and historical collection trend. The Company establishes a provision for doubtful receivables when there is objective evidence that the Company may not be able to collect amounts due. The allowance is based on management's best estimate of specific losses on individual exposures, as well as a provision on historical trends of collections. Actual amounts received may differ from management's estimate of credit worthiness and the economic environment. Delinquent account balances are written-off against the allowance for doubtful accounts after management has determined that the likelihood of collection is not probable. As of December 31, 2018 and 2017, there was no allowance recorded as the Company considers all of the accounts receivable fully collectible.

Our contract receivable represents balance derived from technological consulting services for "smart campus" solutions provided to Chinese university Fuzhou Melbourne Polytechnic ("FMP"), when the projects under the contract have been completed and accepted by FMP, but the balance has not been past due based on the contracted payment schedule. We offer longer credit terms to FMP for the purpose of maintaining long-term relationship. In addition to the "smart campus" solutions related services provided to FMP, we also have Sino-foreign Jointly Managed Academic Programs services with FMP since 2011. We had not incurred any bad debts with FMP in the past, and accordingly considers the contract receivable fully collectible. Thus, there was no allowance recorded on such outstanding contract receivable for the years ended December 31, 2018 and 2017.

Revenue recognition

The Company's revenue is recognized when persuasive evidence that an arrangement exists, delivery of services or products has occurred, the selling price is fixed or determinable and the collection is reasonably assured. Revenue is reported net of all value added taxes ("VAT").

The primary sources of the Company's revenue are as follows:

Sino-foreign Jointly Managed Academic Programs

We recommend and coordinate the forging of partnerships between reputable accredited international universities/colleges and Chinese host universities/colleges to establish international education programs at diploma or undergraduate degree levels. Chinese host universities/colleges then utilize their existing administration ability, campus classrooms and facilities to recruit Chinese students into such programs. We also select and recommend for recruitment qualified foreign faculty to teach major-specific courses at selected Chinese host universities/colleges and bears all faculty related costs. We provide continuing support to foreign faculty, develop and deliver major course content and materials to ensure the teaching quality meeting international standards, and help optimize students' learning outcomes and help prepare them for overseas educations and assist in obtaining course credit conversion in the event that any student decides to pursue further study overseas. We actively support and interact with enrolled students throughout their programs to ensure successful program completion. As a result of performing the above mentioned services, we are entitled to receive 30% to 50% of such student tuitions, which are first collected by the Chinese host universities/colleges from enrolled students at the beginning of each academic school year, and then remitted to us.

With respect to Sino-foreign Jointly Managed Academic Programs, the Company is not involved in recruiting students, collecting tuition or refunding tuition when students dropout, all of which are handled by the host universities/ colleges. The host universities/ colleges normally offer tuition refund if a student drops out from school within the first month of each academic school year. Collected tuition fees become non-refundable after the one-month refund policy window. Historically, for students enrolled under the Sino-foreign Jointly Managed Academic Programs, the average student dropout rate was below 1%. The Company's contracts with Chinese host universities/colleges provide that (1) the host universities/ colleges will withhold the tuition collected from students for one to three months after the academic school year starts in September, and then remit the portion of tuition fees to the Company after the student headcounts have been finalized, and (2) the portion of tuition fee that the Company is entitled to receive is calculated based on the final actual number of students retained with the universities/colleges after any student dropout has been adjusted. Accordingly, any tuition refund has already been deducted by host universities/ colleges before the Company receives its portion of the tuition fees. For accounting purposes, at the beginning of each academic school year, the Company initially accrues the estimated refund based on an historical 1% student dropout rate, and makes subsequent true-up adjustments after the final number of students retained with the host universities/colleges is determined. Such adjustments were immaterial for the years ended December 31, 2018 and 2017.

The Company's contracts with Chinese host universities/colleges provide that foreign teachers assigned by the Company should be substituted, and teaching textbooks, course materials and curriculums should be adjusted in a timely manner in order to ensure a satisfactory teaching result. The Chinese host universities/ colleges have the right to withhold the Company's portion of the tuition if the Company does not take corrective action when the Company's service deficiency is identified. Any costs related to teacher substitution, textbooks, course materials and curriculums adjustment should be borne by the Company. The Company maintains active communications with the host universities/ colleges in order to obtain feedback on the quality of the services performed. Any service deficiency is being corrected and improved on in a timely manner so as to achieve satisfactory long-term cooperation with the host universities/ colleges. There were no complaints received from the host universities/ colleges with respect to the Company's services for the years ended December 31, 2018 and 2017 which required material adjustment to the amount of fees received by the Company.

The portion of tuition fees we receive are initially recorded as deferred revenue and recognized ratably over the applicable academic year as our teaching, management and supporting services are incurred over the whole academic school year.

Sales of textbooks and course materials

In order to ensure the quality of the course content to meet international standards, we have developed and edited more than 16 English textbooks and course materials with emphasis on language training, and sells these textbooks and course materials to students enrolled under the Sino-foreign Jointly Managed Academic Programs.

Revenue from sales of textbooks and related course materials is recognized upon delivery of textbooks and course materials, which is when the risks and titles are transferred.

Overseas Study Consulting Services

Our overseas study consulting services target those students who wish to study in foreign countries to enrich their learning experiences, expand their horizons, and gain exposure to a broader array employment possibilities. Our overseas study consulting services are typically performed one a one-on-one basis lasting between four to six months. We provide school and university information to help students to make informed decisions about which institution and major to choose, help them prepare for the school application and admission, provides study plans, language training and test preparation courses to help students to improve their foreign language abilities and help them achieve higher scores in international admission and assessment tests. We also help students with their visa applications and paperwork, and offer overseas extended services such as finding accommodation and travel assistance. In connection with these services, we collect an up-front fee based on the scope of consulting services requested by the student. 90% of the consulting fee is non-refundable and is recognized ratably as revenue over the service period, while 10% of the consulting fee is refundable and is deferred and recognized as revenue when students are successfully admitted by foreign institution and student visas are granted.

Technological Consulting Services for Smart Campus Solutions

Under the concept of “creating smart campuses”, our technological consulting services utilize the advanced information technology such as cloud computing, mobile internet, artificial intelligence and big data analytics to provide total solutions to targeted Chinese universities/colleges in order to integrate and improve their teaching, research, student data management, storage and processing, and campus life services, and to optimize their teaching and operating environment and improve operational efficiency. Our “smart campus” related technological consulting service contracts are primarily on a fixed-price basis. These contracts typically require us to perform services including project planning, project solutions and design, data management application customization, installation of hardware equipment and components for digital classrooms and academic experiment centers or labs, integration of the hardware and software application, and post-contract continuous maintenance support, based on the specific needs from each customer. Upon delivery of the services, project completion inspection and customer acceptance are generally required. In the same contract, it may also include provision that require us to provide post-contract maintenance support for a period ranging from several months to three years after customized “smart campus” solutions and services are delivered.

We evaluate “smart campus” solution service contracts and determine whether these contracts contain multiple deliverable arrangements. An arrangement is separated, if (1) the delivered element(s) has (have) value to the customer on a stand-alone basis, (2) there is reliable evidence of the fair value of the undelivered element (s) and (3) if the arrangement includes a general right of return relative to the delivered element(s), delivery or performance of the undelivered element (s) is (are) considered probable and substantially in the control of us. If all three criteria are fulfilled, appropriate revenue recognition convention is then applied to each separate unit of accounting. If the three criteria are not met, revenue is deferred until such criteria are met or until the period in which the last undelivered element is delivered. We determine “smart campus” solution and application customization service, installations of hardware and software components, and post-contract continuous maintenance support, as separated deliverables in same fixed-fee contract, because our promise to transfer each of these services is separately identifiable from other promises in the contract. We allocate contract revenue to the identified separate units based on their relative fair value.

Reliable fair values are sales prices for the component when it is regularly sold on a stand-alone basis, third-party prices for similar components or, under certain circumstances, cost plus, an adequate business specific profit margin related to the relevant element. The amount allocable to the delivered elements is limited to the amount that is not contingent upon delivery of additional elements or meeting other specified performance conditions. Revenue allocated to technological consulting services for “smart campus” solution is recognized upon completion of each unit of service. In instances where substantive completion inspection and customer acceptance provisions are specified in contracts, revenues are deferred until all inspection and acceptance criteria have been met.

Income Tax

We account for current income taxes in accordance with the laws of the relevant tax authorities. Deferred income taxes are recognized when temporary differences exist between the tax bases of assets and liabilities and their reported amounts in the consolidated financial statements. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period including the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

An uncertain tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded. Penalties and interest incurred related to underpayment of income tax are classified as income tax expense in the period incurred. No significant penalties or interest relating to income taxes have been incurred during the years ended December 31, 2018 and 2017. All of the tax returns of the Company remain subject to examination by the tax authorities for three years from the date of filing.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standard Board (the “FASB”) issued ASU No. 2014-09, “Revenue from Contracts with Customers (Topic 606)” (“ASU 2014-09”). ASU 2014-09 requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either the retrospective or cumulative effect transition method. The guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. In August 2015, the FASB issued ASU No. 2015-14, “Deferral of the Effective Date” (“ASU 2015-14”), which defers the effective date for ASU 2014-09 by one year. For public entities, the guidance in ASU 2014-09 will be effective for annual reporting periods beginning after December 15, 2017 (including interim reporting periods within those periods). In March 2016, the FASB issued ASU No. 2016-08, “Principal versus Agent Considerations (Reporting Revenue versus Net)” (“ASU 2016-08”), which clarifies the implementation guidance on principal versus agent considerations in the new revenue recognition standard.

As an “emerging growth company,” or EGC, the Company has elected to take advantage of the extended transition period provided in the Securities Act Section 7(a)(2)(B) for complying with new or revised accounting standards applicable to private companies. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2018, including interim periods within annual reporting period beginning after December 15, 2019.

We adopted ASC 606 on January 1, 2019, using the modified retrospective method. We have completed the assessment of the impact of this new guidance by reviewing our existing customer contracts and current accounting policies and practices to identify differences that might result from applying the new requirements, including the evaluation of its performance obligations, transaction price, customer payments, transfer of control and principal versus agent considerations. Based on the assessment, we concluded that there was no change to the timing and pattern of revenue recognition for our current revenue streams in scope of Topic 606. The adoption of Topic 606 did not result in a cumulative catch-up adjustment to our opening balance sheets of retained earnings at the effective date and therefore there were no material changes to our consolidated financial statements. Our future financial statements will include additional disclosures as required by Topic 606.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which requires lessees to recognize a right-of-use asset and lease liability on the balance sheet for all leases, including operating leases, with a term in excess of 12 months. The guidance also expands the quantitative and qualitative disclosure requirements. The guidance will be effective in fiscal year 2020, with early adoption permitted, and must be applied using a modified retrospective approach. In July 2018, the FASB issued updates to the lease standard making transition requirements less burdensome. The update provides an option to apply the transition provisions of the new standard at its adoption date instead of at the earliest comparative period presented in the company’s financial statements. The new guidance requires the lessee to record operating leases on the balance sheet with a right-of-use asset and corresponding liability for future payment obligations. FASB further issued ASU 2018-11 “Target Improvement” and ASU 2018-20 “Narrow-scope Improvements for Lessors.” As an emerging growth company, we will adopt this guidance effective January 1, 2020. We do not expect the cumulative effect resulting from the adoption of this guidance will have a material impact on our consolidated financial statements.

In February 2018, the FASB has issued Accounting Standards Update (ASU) No. 2018-02, “Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income.” The ASU amends ASC 220, *Income Statement — Reporting Comprehensive Income*, to “allow a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act.” In addition, under the ASU, an entity will be required to provide certain disclosures regarding stranded tax effects. The ASU is effective for all entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. We do not believe this guidance will have a material impact on our consolidated financial statements.

In March 2018, the FASB issued ASU 2018-05 — Income Taxes (Topic 740): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118 (“ASU 2018-05”), which amends the FASB Accounting Standards Codification and XBRL Taxonomy based on the Tax Cuts and Jobs Act (the “Act”) that was signed into law on December 22, 2017, and Staff Accounting Bulletin No. 118 (“SAB 118”) that was released by the Securities and Exchange Commission. The Act changes numerous provisions that impact U.S. corporate tax rates, business-related exclusions, and deductions and credits and may additionally have international tax consequences for many companies that operate internationally. We do not expect this guidance will have a material impact on our consolidated financial statements.

In August 2018, the FASB Accounting Standards Board issued ASU No. 2018-13, “Fair Value Measurement (Topic 820): Disclosure Framework Changes to the Disclosure Requirements for Fair Value Measurement” (“ASU 2018-13”). ASU 2018-13 modifies the disclosure requirements on fair value measurements. ASU 2018-13 is effective for public entities for fiscal years beginning after December 15, 2019, with early adoption permitted for any removed or modified disclosures. The removed and modified disclosures will be adopted on a retrospective basis and the new disclosures will be adopted on a prospective basis. We do not expect this guidance will have a material impact on our consolidated financial statements.

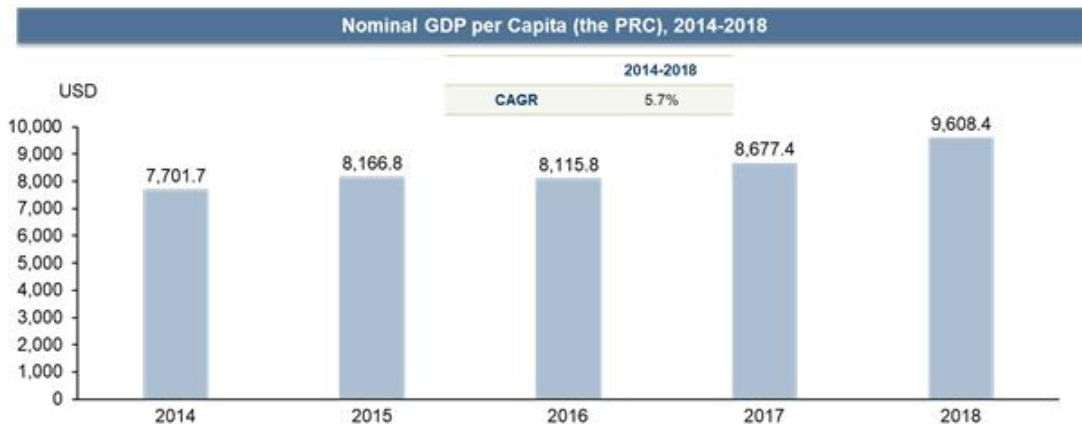
INDUSTRY

All the information and data presented in this section have been derived from Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. ("Frost & Sullivan")'s industry report dated April 2019 entitled "The PRC Sino-Foreign Joint Programs, Study Aboard Consulting and Training Services, Smart Campus Solutions and School-Enterprise Cooperation Services Industry Independent Market Research" (the "Frost & Sullivan Report"), unless otherwise noted. The Frost & Sullivan Report was commissioned by us, and was independently prepared by Frost & Sullivan. Frost & Sullivan has advised us that the statistical and graphical information contained herein is drawn from its database and other sources. The following discussion projections for future growth, which may not occur at the rates that are projected or at all.

OVERVIEW OF THE MACROECONOMIC ENVIRONMENT IN THE PRC

Nominal GDP per Capital

According to the International Monetary Fund, from 2014 to 2018, nominal GDP per capita in the PRC rose from USD7,701.7 in 2014 to USD9,608.4 in 2018, representing a CAGR of approximately 5.7%. The growth in nominal GDP per capita has largely stimulated the development of the overseas education market in the PRC from 2014 to 2018.



Source: International Monetary Fund, Frost & Sullivan Report

Per Capita Disposable Income of Urban Residents in the PRC

According to the National Bureau of Statistic of the PRC, the per capita disposable income of urban residents in the PRC increased from USD 4,305.1 in 2014 to US\$5,858.4 in 2018, representing a CAGR of 8%. In line with the trend of nominal GDP, the disposable income of urban residents in the PRC increased from 2013-2018, as there was a rise in overall household spending capabilities due the blooming economy.

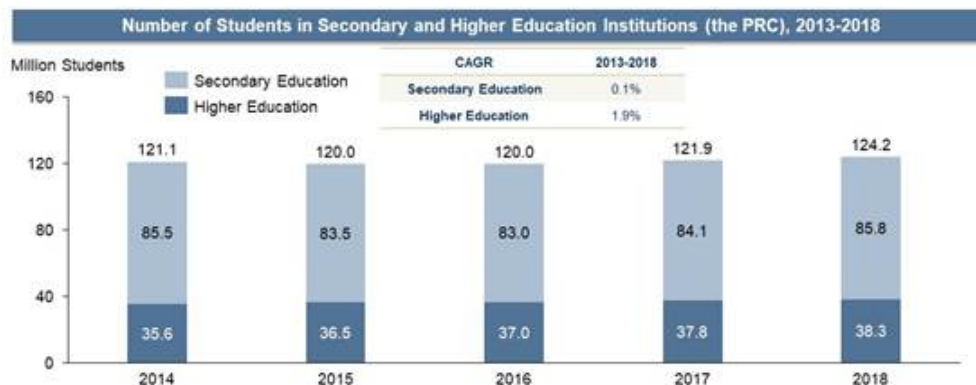


Source: National Bureau of Statistic of China

Note: The GDP per capita is converted to USD at RMB/USD of 6.7

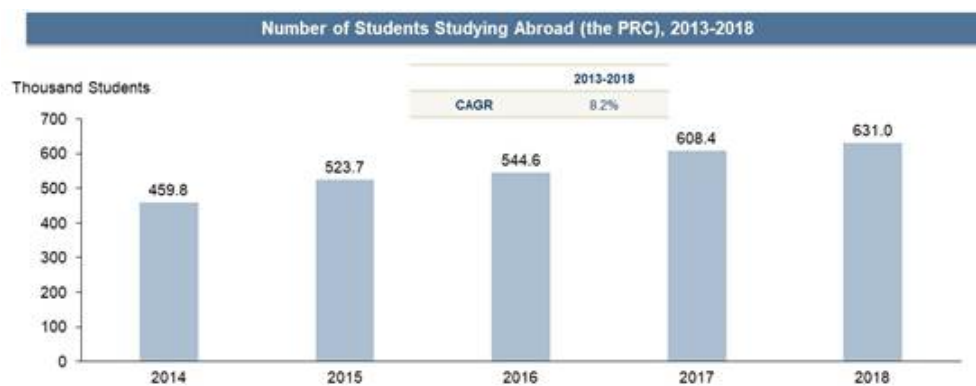
Number of Students in Secondary and Higher Education Institutions

According to the Ministry of Education of the PRC, the total number of students in secondary education institutions was relatively stable at a CAGR of approximately 0.1%, from 85.5 million students in 2014 to 85.8 million students in 2018. Benefiting from the rapid growth of the PRC economy and the increasing demand for higher education, the total number of students in higher education institutions increased from 35.6 million students in 2014 to 38.3 million students in 2018, representing a CAGR of approximately 1.9% during the period.



Source: Ministry of Education of the PRC, Frost & Sullivan Report

Number of PRC Students Studying Abroad

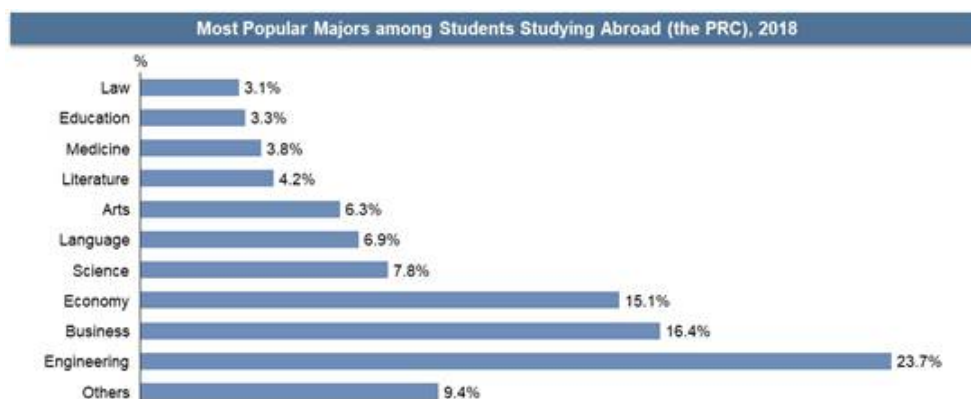


Source: National Bureau of Statistics of the PRC, Frost & Sullivan Report

The growing economy has contributed to the emergence of middle-class families in the PRC and their increasing desire to send their children abroad for higher education and international experiences. According to the National Bureau of Statistics of China, from 2014 to 2018, the total number of students from the PRC studying abroad rose from 459.8 thousand to 631.0 thousand, at a CAGR of approximately 8.2% during the period.

Majors among PRC Students Studying Abroad

With the process of globalization, the rapid growth of the global economy and stable development of the labor market, business, economy and engineering have remained top areas of study for PRC students. According to the Frost & Sullivan Report, in 2018, engineering, business and economics programs were the most popular courses of study for PRC students studying abroad, accounting for 23.7%, 16.4% and 15.1% of the entire overseas Chinese students respectively. At the same time, 7.8%, 6.9%, and 6.3% of Chinese students studying abroad chose science, language, arts as their majors in 2018.



Source: Frost & Sullivan Report

OVERVIEW OF THE SINO-FOREIGN JOINTLY MANAGED ACADEMIC PROGRAMS MARKET

Introduction

Sino-foreign jointly managed academic programs refer to education programs offered by joint ventures of the PRC and foreign institutions. There is a large number of Sino-foreign programs in the PRC across all levels of education, primarily in undergraduate and postgraduate education, as well as diploma and non-degree higher education, and a small amount of senior secondary education programs. The Sino-foreign joint educational institutions in China usually provide various kinds of programs, including languages, and liberal arts, business. There are mainly three modes of Sino-foreign jointly managed academic programs in higher education:

| Model of Sino-foreign jointly managed academic programs | Description |
|---|--|
| 3+1 model | Students are required to spend their first three years of study in Sino-foreign jointly managed academic programs in the PRC, including language courses and major-related courses. After they finish the 3-year study period in the PRC and pass the English qualification test, students can be admitted to the foreign educational institution in the origin country that cooperated with the program. |
| 2+2 model | Similar to 3+1 model, students in 2+2 models need to spend their first two years of study in a Sino-foreign jointly managed academic program in the PRC. After the 2-year study period, students who pass the language qualifications test can be admitted to the foreign educational institutions and continue their final 2-year study. |
| 4+0 model | Unlike 3+1 and 2+2 models, students in 4+0 model have to finish their study within the PRC and will not study in the foreign schools. However, their syllabi and teaching materials are provided by foreign educational institutions. |
| Others model (2+1/2.5+1+1) | Like the 2+1 model, students have their two years in the PRC and one year in origin country; Students in 2.5+1+1 model have to complete their first two and a half years of language and major-related coursework within the PRC. After the 2.5-year study period, qualified students can be admitted to the foreign institution and study in the origin country of the foreign institution. Students completing their 1-year studies in the foreign country can receive bachelor's degrees from the foreign institution and they can choose to continue their study for 1 more year to obtain a master's degree in the foreign institution. |

Generally, except in the 4+0 model, students can receive both diplomas from the Chinese universities/colleges and foreign institutions when they complete their studies. The institution in the PRC issues a graduation certificate and a degree certificate while the foreign institution issues a certificate to student.

Some Sino-foreign jointly managed academic programs cooperate with language training course providers to provide language training to students, such as English for academic purpose (EAP) programs to prepare students for IELTS or TOEFL. Other than English, the language training courses providers can provide other language courses to the schools, such as German, Italian and Japanese courses.

Market Size of Sino-foreign Jointly Managed Academic Programs in the PRC

The stable growth of the PRC’s economy has driven the rise of incomes and helped to improve the education level of its people. People have higher requirements for educational credentials and are more willing to invest in high-quality education for the next generation. Therefore, Sino-foreign jointly managed programs are getting more popular in the PRC and have seen stable growth since 2014. According to the Frost & Sullivan Report, the revenue of Sino-foreign jointly managed academic programs in the PRC increased from USD2.0 billion in 2014 to USD2.7 billion in 2018, representing a CAGR of 7.7%. Along with this increasing demand for high-quality education in the PRC market, the market for Sino-foreign jointly managed academic programs is expected to be USD3.9 billion in 2023, at a CAGR of 7.5% from 2019 to 2023.



Source: Frost & Sullivan Report

Note: The Market Size is converted to USD at RMB/USD of 6.7

Market Drivers and Trends

Demand for High-Quality Education - The educational institutions in the PRC have a problems with ensuring qualify, which is mainly attributable to urban and rural differences, as well as PRC government education policies. The schools in first tier cities, such as Beijing, Shanghai, Guangzhou and Shenzhen, usually have government support with more education funding and are able to provide higher quality education, such as higher quality teachers and teaching materials, than the schools in second and third tiers cities. For examples, higher education institutions designated in Project 985, Project 211, and Plan 111 that were announced by the PRC government have received more resources and support from the government. As household incomes are increasing in the PRC, PRC families are willing to pay more for better education for future generations, because they believe education can increase their children’s chances in a competitive society and help them build a better future. Sino-foreign joint programs are unlike normal domestic educational institutions in the PRC as they can provide teaching materials and study syllabi similar to those of foreign schools and are able to provide high level languages education in languages such as English, Italian, and Japanese. Students can experience high-quality foreign education in the PRC.

Rapid Economic Development and Competitive Environment in the PRC- As the national economy in the PRC has witnessed rapid development, the competition between people is getting more intense. To increase personal competitiveness in the PRC, PRC students have to achieve higher educational levels and acquire qualified academic credentials. Sino-foreign joint programs provide high-quality programs with syllabi and teaching materials from foreign educational institutions which allow local students to receive foreign education within the PRC. Moreover, educational credentials are becoming more important in the job market, as employers highly value candidates with good academic levels and certifications from prestigious PRC and foreign universities. Therefore, Sino-foreign jointly managed academic programs have become more popular under this competitive environment as they are able to provide better educational services and have more opportunities for students to study abroad or pursue exchange programs.

Diversified Disciplines and Majors - Sino-foreign jointly managed academic programs provide a broader selection of disciplines and majors for students compared to domestic universities in the PRC. Students attending such programs are able to receive higher quality educational services and increase their competitiveness in the PRC education market. Domestic universities in the PRC may not have the resources to provide some of the majors or are unable to reach the same quality as foreign universities, such as physiotherapy, marine engineering, heritage preservation, etc. Therefore, more domestic educational institutions in China tend to cooperate with foreign educational institutions to provide various disciplines and majors to fulfill the needs of different students. Moreover, Sino-foreign jointly managed academic programs usually provide languages training to students, especially IELTS (International English Language Testing System) and TOELF (Test of English as Foreign Language) training. Other than English, some of the programs also provide language training depending on the origin country of foreign cooperators, such as Italian, Spanish, French, and Japanese.

Regulations for Sino foreign Jointly Managed Academic Program

The State Council has launched the *Regulations of the PRC on Sino-foreign Cooperative Education* since 1 March, 2003, which was later amended and became effective on 18 July, 2013. The Ministry of Education enforced the *Implementing Measures for the Regulation of the PRC on Sino-foreign Cooperative Education* in 2004. These laws aim to regulate the establishment and operation of educational establishments in the PRC by joint venture of foreign educational institutions and local Chinese educational institutions which primarily seek to enroll Chinese students. The Sino-foreign joint ventures that apply to run Sino-foreign jointly managed academic programs are required to follow these regulations and ensure the quality of education they provide. For example, these regulations require the foreign teachers and administrators employed by the Sino-foreign joint institutions to possess a bachelor’s degree or above, have related occupational certificates, and have at least two years of work experience in education and teaching. Additionally, Sino-foreign joint ventures are not allowed to conduct compulsory education or education of certain fields, such as military, police and political education. Moreover, all Sino-foreign joint educational institutions need to be approved by the relevant government authorities and obtain Sino-foreign cooperative education licenses.

Overview of Competitive Landscape of Sino-foreign Jointly Managed Academic Programs in the PRC

According to Ministry of Education of the PRC, as of June 2018, there were over 2,300 Sino-foreign joint institutions or programs in the PRC, of which nearly 1,100 of Sino-foreign joint institutions or programs were undergraduate level or above. The Sino-foreign Joint institutions and programs are distributed throughout the PRC geographically, except certain remote areas, such as Tibet and Ningxia. The majority of Sino-foreign jointly managed academic programs are located in well-developed areas, especially in the coastal areas, first-tier cities and second-tier cities, such as Beijing, Shanghai, Jiangsu, Shandong, Zhejiang, and Guangdong, because these areas have better economic environments and higher incomes, as well as higher populations that have larger demand for Sino-foreign jointly managed academic programs.

OVERVIEW OF STUDY ABROAD CONSULTING AND TRAINING SERVICES MARKET

Definition



The PRC study abroad consulting and training services industry consists of any related study service products aimed at assisting PRC students who intend to study abroad. Study abroad consulting and training services intuitions are approved by an educational service organization cooperating with overseas higher education institutions, academic programs and other academic institutions, or to operate independently, to conduct study abroad consulting and training service to assist PRC students to study abroad. Such institutions consist of professional study abroad consulting institutions, comprehensive study service consulting agency service sector, online study consulting platforms and academic institutions.

PRC study abroad consulting and training service institutions provide study planning programs for PRC students who intend to study abroad. They prepare tailored study plans, assist students in preparing materials for application processes, prepare applicants for interviews with overseas institutions and schools, and provide consulting services for communications. These study plaining programs aim to help the PRC students have better understanding toward study life in foreign countries and provide assistances during the study abroad application process.

Market Size

According to the Frost & Sullivan Report, the continuing increase in disposable income per household provides income flexibility for parents to invest in higher quality education programs for their children. These households are primarily in tier 1 to 3 cities but lower tier cities are also experiencing a steady growth in their incomes as well. This growth in disposable income and wealth among cities will have a positive effect on expanding the number of students studying abroad and may increase the demand for overseas study abroad consulting services. The market size by revenue of the study abroad consulting and training services in the PRC increased from USD1.9 billion in 2013 to USD3.8 billion in 2018 and is expected to reach USD7.3 billion by 2023, at a CAGR of 13.5% from 2019.

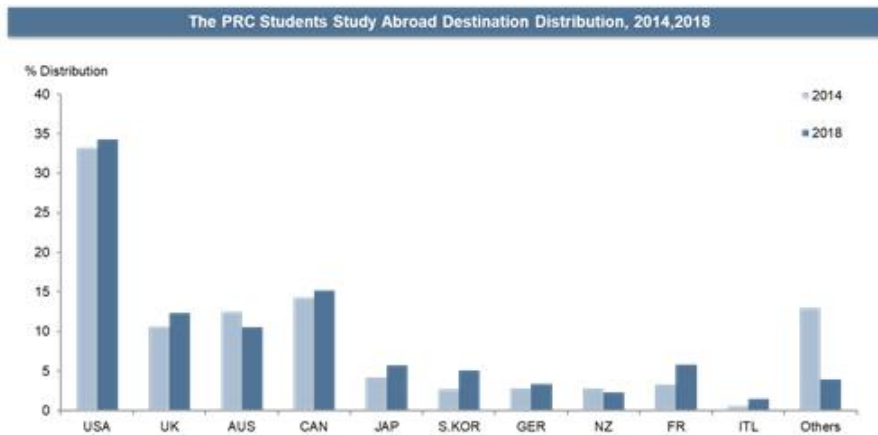


Source: Frost & Sullivan Report

Note: The Market Size is converted to USD at RMB/USD of 6.7

Market Drivers and Trends

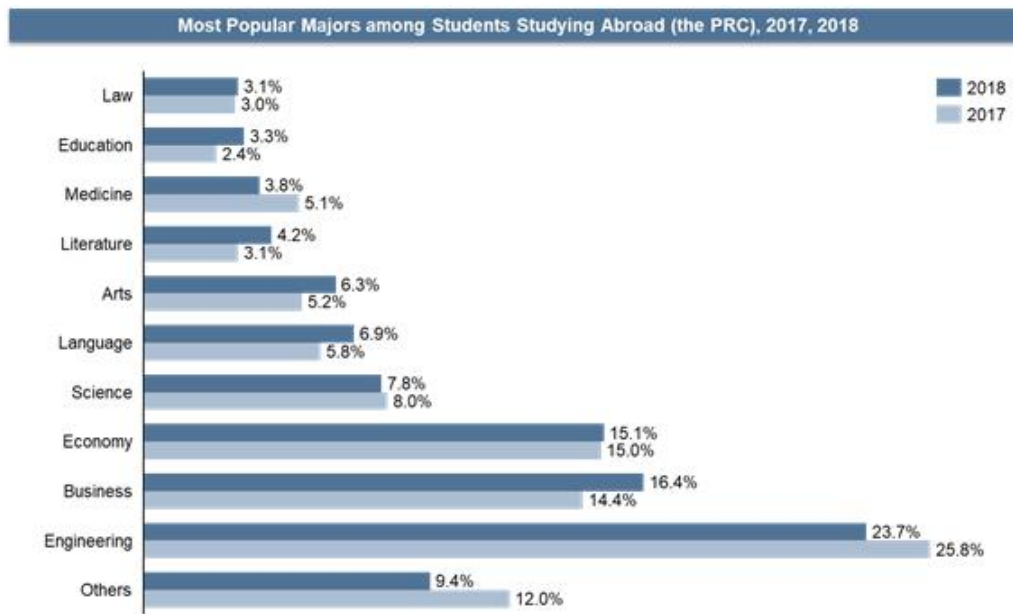
Economic development leads to more destination choices- The cost of studying abroad has become increasingly more affordable as the booming economy has allowed more parents and students to meet the high costs associated with overseas study, giving more Chinese students the opportunity to study abroad. These households were mostly found in tier 1 to 3 cities but lower tier cities were found to be steadily increasing their income. English-speaking countries, like the United States, United Kingdoms, Australia and Canada remain the top destinations to study abroad. Although the majority of students still choose these countries, the number of students who choose to study in non-English speaking countries has increased in recent years, especially to countries such as France, Germany, Italy, Japan and South Korea. This is primarily due to the rise in lower-tier cities and the overall affordability of non-English speaking countries, where the cost of tuition, educational programs, and living expenses are much lower than English speaking countries. In addition, instead of traditional English-speaking countries, emerging study abroad educational markets, such as Spain and Italy, have become increasingly attractive for students to study abroad in. At the same time, specific advantages of non-English regions, such as the industrial advantages of Germany and Japan, and Italy’s luxury goods and art industry, have become key considerations for attracting Chinese students to study abroad. According to the Frost & Sullivan Report, there were more students from the PRC studying in France, Italy, the South Korea, Japan and Germany in 2018 than in 2014.



Source: Frost & Sullivan Report

China’s Belt and Road Initiative- The Belt and Road Initiative is viewed as “the 21st-century Silk Road” connecting countries in Asia, Africa and Europe such as Malaysia, South Korea, Russia, etc. with the hopes of promoting the development of Asian, African and European countries along the route, regardless of economic, trade, politics, culture and so on. This has created broader horizons for students to experience and study in. Through studying in countries along the Belt and Road, students can accumulate valuable cultural knowledge, as well as experience the culture and political business environments of these countries, which is conducive to students’ future career development. With the Belt and Road countries becoming new growth points, according to the Ministry of Education of the PRC, in 2017, the number of students studying in the countries along the “Belt and Road” was 66,100, an increase of 15.7% over the previous year. The Belt and Road Initiative brings more choices to Chinese students and indirectly promotes the demand for study abroad consulting and training services market.

Change in student preferences- According to the Frost and Sullivan Report, there are also trends evident in the change of degree preferences by Chinese students. Engineering, business and economics have been the most popular degrees pursued by PRC students. However, more recently there is a rising trend in students choosing to follow their own academic preferences over parental preferences and what is traditionally expected of them. According to the Frost & Sullivan Report, the percentage of students from the PRC majoring in art, literature, languages and education have increased in 2018.



Source: Frost & Sullivan Report

OVERVIEW OF THE SMART CAMPUS SOLUTIONS MARKET

Introduction and Definition

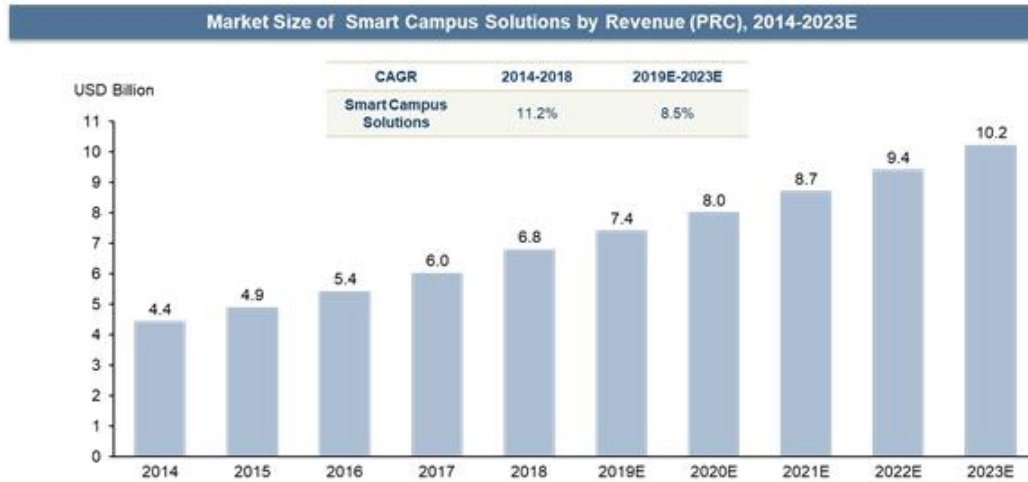
A smart campus is a school campus that uses innovated technologies, information and communications technology (ICT) tools, Internet of Things (IoT) and digitalized equipment to increase the efficiency and productivity of schools.

The building of a smart campus consists of setting up both software and hardware. The service provider supplies customizable software as a service (SaaS) according to the school's requirements, such as online e-learning systems, registrar administration systems, office automation systems, teaching resources systems, and human resources. The users of these systems include students, teachers and school management teams. The big data collected from the smart campus systems can provide analytics for schools to improve the efficiency.

Other than software, hardware is also a crucial part of a smart campus. The providers need to ensure the campus will have enough wireless access points (AP) and full Internet coverage to allow teachers and students access to the Internet at any time. Moreover, the building of smart classrooms is a key point of smart campus. Smart classrooms in smart campuses should have a multimedia system consisting of essential multi-media devices, such as computers and projectors. Additionally, recording systems, IoT systems, classroom cloud desktop and wireless network coverage are essential for a smart classroom. Other than classrooms, smart campus solutions can also be use in car parks, dormitories, canteens and different parts of a campus as the providers can provide different services according to the locations and users.

Market Size of Smart Campus Solutions in the PRC

According to the Frost & Sullivan Report, the rapid technology development combined with support from the government, such as the *Ten Years Development Plan of Education Informatization (2011-2020)* and the *Main Working Points of Education Informatization* in 2016, the smart campus solutions market has seen growth from 2014 to 2018. The market of smart campus solutions increased from USD4.4 billion in 2014 to USD6.8 billion in 2018, representing a CAGR of 11.2%. With continued development and upgrade of the education industry in the PRC, more schools are expected to use smart campus solutions. According to the Frost and Sullivan Report, the smart campus solutions coverage in the PRC has increased from approximately 34% in 2016 to approximately 50% in 2018. Demand is expected to boost the market for smart campus solutions and will reach USD10.2 billion by 2023, at a CAGR of 8.5% from 2019 to 2023.



Source: Frost & Sullivan Report

Note: The Market Size is converted to USD at RMB/USD of 6.7.

Market Drivers and Trends

Supports from the PRC government- The PRC government has implemented policies to support the development of the education industry in the PRC, including the promotion of smart campus and education informatization. For example, the *Ten Years Development Plan of Education Informatization (2011-2020)* (2011-2020) released in 2012 by the Ministry of Education aimed to build up green, safe and civilized smart campuses by increasing internet coverage on campuses, safety information platforms, set up and usage of smart classrooms, and data management centers for teaching and research. The Ministry of Education announced *The Main Working Points of Education Informatization* in 2016 targeted to achieve 95% internet coverage for primary school and middle schools in the country. With this support from the government and rapid technology development, the market of smart campus solutions is expected to have strong growth.

Increasing internet coverage and technology development- Under the stable growing trend of national economy and technology development in the PRC, the Internet coverage has been increased and more people can now have access to the Internet. According to the National Bureau of Statistics of China, there were about 772 million people with access to the Internet in the PRC in 2017. The Internet has rapidly become a part of people's daily lives. According to the Frost & Sullivan Report, there will be over 1 billion people with access to the internet in the PRC by 2023. As a result, demand for smart campuses is expected to increase in the future.

Key Success Factors for Smart Campus Solutions

Ability to provide one-stop smart campus solutions- Smart campus is becoming popular in different level of schools and more schools are willing to invest in smart campus solutions. The ability to provide one-stop smart campus solutions is an important point when clients are choosing their providers. As most of the clients may not have comprehensive and professional knowledge about the software and hardware in smart campuses, the services providers with the ability to provide one-stop solutions, such as the set-up of smart classrooms, designing mobile apps and online platforms and set up of internet access points tend to have more competitive advantages. Moreover, due to the maturation of technology and expansion of the market, more companies are expected to participate in the smart campus solutions market. In order to compete with other participants, the ability to provide one-stop smart campus solutions and pricing strategy are critical to increasing competitiveness in the market.

Research and development of smart campus systems- The building of a smart campus requires various systems, such as different managing systems, human resources systems, multi-media systems, recording systems in smart classrooms and others online platforms for students and teachers. The development of these systems requires professional talents and investment in research and development. Smart campus solutions providers need to keep up with technology trends and develop suitable software for their systems. Moreover, the providers need to update the systems on a regular base to satisfy the need from customers and provide excellent user experiences.

OVERVIEW OF JOB READINESS TRAINING MARKET IN THE PRC

Introduction

School-enterprise cooperation is a popular theme among educational institutions including vocational schools and universities who are designing curriculum and courses for students based on the demand of enterprises, which is expected to boost the development of vocational education and university education and help enterprises to find competent employees. Enterprises are encouraged to participate in the operation and curriculum design of vocational schools and universities in the form of sole proprietorships or joint ventures, and grant more internship and/or full-time vacancies to students from these schools.

Major modes of school-enterprise cooperation in the PRC consist of education reform on classroom content and curriculum, teacher training, construction of practice facilities, job readiness training, innovation and entrepreneurship fund, and education reform on innovation and entrepreneurship.

| Major Modes of School-Enterprise Cooperation | |
|--|--|
| Education Reform on Teaching Contents and Curriculum | • Enterprises will support various aspects such as funding, faculty, technology and etc., and introduce the latest developments and trends of the industry and requirements of talent recruitment into the teaching activities. |
| Teacher Training | • Enterprises will organize technical trainings, workshops, seminars, research projects for the faculty of vocational schools and universities to enhance their practice and teaching ability. |
| Construction of Practice Facilities | • Enterprises will provide software and/or hardware equipment and/or facilities to build laboratories and practice bases together with educational institutions, in order to improve the level of teaching. |
| Job Readiness Training | • Based on the requirements and conditions of the enterprises, internship programs will be provided to students. Enterprises and educational institutions will design the program together to ensure the effectiveness and quality of the internship programs. |
| Innovation and Entrepreneurship Fund | • Enterprises will provide financial support and research scope, and arrange tutors for students who are willing to participate in the innovation and entrepreneurship programs. |
| Education Reform on Innovation and Entrepreneurship | • Enterprises will provide investment funds, teachers and facilities to support the development of innovative curriculum, practical training system, project incubation platforms and etc. |

Source: Frost & Sullivan Report

Job readiness training is one of the modes of School-enterprise cooperation, which refers to programs which prepare students for a specific job. Benefiting from the rapid development and supportive policies of school-enterprise cooperation, market participants in the PRC are offering job readiness training under the framework of school-enterprise cooperation. Different from traditional job readiness training, these training programs under school-enterprise cooperation are designed based on specific requirements and conditions of the enterprises and will help students to be better equipped to serve the enterprises at their respective job positions.

Market Size of Job Readiness Training Market

Major participants in the job readiness training market in the PRC include educational institutions, consulting service providers and enterprises. According to the Frost & Sullivan Report, from 2014 to 2018, total market size for job readiness training in the PRC rose from \$5.5 billion in 2014 to \$8.6 billion in 2018, representing a CAGR of approximately 11.5%. Stimulated by the issuance of Several Opinions of the General Office of the State Council of the PRC on Deepening Integration of Industries into Education (《关于深化产教融合的若干意见》) and continuous support from Ministry of Education and National Development and Reform Commission of the PRC, overall market size of job readiness training is expected to grow at a CAGR of approximately 12.6% from \$9.7 billion in 2019 to \$15.5 billion by the end of 2023.



Note: Market size is converted into RMB at RMB/USD of 6.7.

Source: Frost & Sullivan Report

Market Drivers and Trends

Stimulus government policies – The development of school-enterprise cooperation and job readiness training in the PRC is largely driven by government policies and regulations. For example, in 2014 and 2015, the State Council of the PRC stated that vocational schools and universities should enhance their integration with enterprises in order to train qualified workers and improve the education system. Further, in 2017, the announcement of Several Opinions of the General Office of the State Council on Deepening Integration of Industries into Education (《关于深化产教融合的若干意见》) has set the strategic development plan to encourage the cooperation between vocational schools and universities, and enterprises, with the aim to match higher education with the real demands of enterprises.

Rising demand for practical talent – Supported by the restructuring of various industries and the booming labor market in the PRC, the demand for technical and practical talents has been continuously increasing over the past five years. In order to satisfy higher requirements on talents, the development and implementation practical programs and job readiness trainings are needed to better cultivate practical talent, which is expected to boost the growth of job readiness training market in the PRC.

Fierce competition in job market – As the number of graduates rises, graduates in the PRC face slowing employment demand and fierce competition. Enterprises are looking for more experienced and practical talent who are better equipped to work at specific positions. Further, enhancing employability of their graduates being one of their major missions, it is crucial for educational institutions to cooperate with enterprises to attract funding, improve educational resources, enhance faculty development, and design better curriculum for students. This will contribute to the expansion of school-enterprise cooperation and job readiness training market.

Key Success Factors of Job Readiness Training Market

Stable cooperation with enterprises – The establishment and maintenance of long-term business relationships with enterprises is essential for market participants to ensure the continuous and stable operation of the programs.

Availability of qualified faculty – It is crucial for market participants to recruit and organize a team of qualified teaching staff, as qualified teachers are considered as the most important educational resource and will have a direct effect on the quality of the programs.

Sufficient student enrollment – Vocational schools and universities are the major sources of students enrolled in school-enterprise initiatives and job readiness training programs. It is important for market participants to maintain a stable relationship with educational institutions and have enough students to participate in their programs.

BUSINESS

Overview

We are an exempted company incorporated in the Cayman Islands on February 25, 2019. Through our operating company China Liberal Beijing, incorporated in the PRC on August 10, 2011, we are an educational service provider operating under the “China Liberal” brand in the PRC. Our mission is to provide China’s students with the tools to excel in a global environment. We strive to meet the needs of the ever growing number of young talents in China.

We provide a wide variety of educational services and products intended to address the needs of our partnering schools and our students:

- Services provided under Sino-foreign jointly managed academic programs (“Sino-foreign Jointly Managed Academic Programs”), which services represent the core of our business;
- Overseas study consulting services (“Overseas Study Consulting Services”);
- Technological consulting services provided to targeted Chinese universities to improve campus information and data management systems and optimize teaching, operating and management environment, creating a “smart campus”; these consulting services include campus intranet solution buildout, school management software customization, smart devices (mainly Internet of things, or IoT devices, extending the Internet connectivity to physical devices) installation and testing, and school management data collection and analysis, all of which can be specifically are tailored to meet a client’s particular needs (“Technological Consulting Services for Smart Campus Solutions”); and
- Tailored job readiness training to graduating students (“Integration of Enterprises and Vocational Education”), acting as the key bridge between our partner schools and employers, but we did not start generating revenue from this line of business until January 2019.

We also develop and provide textbooks and other course materials to students enrolled under the Sino-foreign Jointly Managed Academic Programs to ensure the quality of students’ learning outcomes.

We started generating revenue in the year ended December 31, 2012 through our services provided under certain Sino-foreign Jointly Managed Academic Programs. We continued to maintain and expand this core business throughout the years, giving us revenues of \$2,821,602 and \$2,410,781 for the years ended December 31, 2017, and 2018, respectively, representing 72.6% and 50.11% of our net revenues for those respective years. A vast majority of these revenues derives from our two major partners, Fuzhou Melbourne Polytechnic, or FMP and Minjiang University. Additionally, since starting our Overseas Study Consulting Services in 2017, this line of business has been a source of growing revenue. We generated \$60,947 and \$547,521 in revenues from our Overseas Study Consulting Services for the years ended December 31, 2017 and 2018, respectively, representing a sharp increase from 2% to 11% of our total revenue of that respective year. We also started generating revenues from our Technological Consulting Services for Smart Campus Solutions business in 2017, with revenues of \$950,992 and \$1,820,974, representing 25% and 38% for the years ended December 31, 2017 and 2018, respectively. We did not generate any revenue from our Integration of Enterprises and Vocational Education business because this line of business was newly added in December 2018.

We started our operations in Beijing where our headquarters are located. We established our first branch in Fujian Province in 2011 and subsequently expanded to various locations in the PRC, covering the cities of Hangzhou, Fuzhou and Ji’nan on the east coast of China.

Our Services and Products

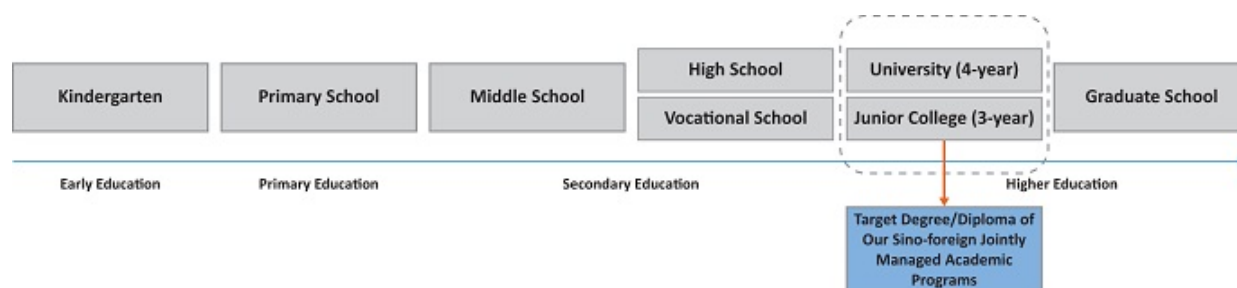
We currently primarily generate revenue from providing the following services or products:

Our Services Provided under Sino-foreign Jointly Managed Academic Programs

Background

Formal education in China is typically comprised of kindergarten, primary school, middle school, high school and some combination of vocational school, university, junior college, and graduate school. There are several key differences between studying at universities and junior colleges. These differences include: (i) universities grant bachelor’s degrees to students graduating after 4 years of study, while junior colleges grant diplomas to students graduating after 3 years of study; and (ii) students enrolled in junior colleges typically obtain lower scores on the National College Entrance Examination open to most students graduating high school, and hence, are not able to meet the score threshold of a university. Nevertheless, students enrolled in junior colleges may have opportunities to transfer to a degree-based university or program, depending on the school they enroll in.

The below chart illustrates the main segments of China’s education system:



Sino-foreign Jointly Managed Academic Programs refer to education programs offered by joint ventures of the PRC and foreign institutions. There are a large number of Sino-foreign programs in the PRC across all levels of education, primarily focused on undergraduate and postgraduate education, as well as diploma and non-degree higher education, and a small amount of senior secondary education programs. The Sino-foreign joint educational institutions in China usually provide various kinds of programs, including languages, liberal arts and business.

Typically, the Sino-foreign Jointly Managed Academic Programs offer degree programs to their students in the form of “2+1”, “2+2”, “3+1” or “2.5+1+1”, which enable enrolled students to study at the Chinese host universities/colleges for the first two to three years (as applicable), and finish their remaining one or two years of academic studies at the overseas partner universities.

The Sino-foreign Jointly Managed Academic Programs are unique in that the first two or three years’ studies at Chinese host universities/colleges help students to increase their exposure to foreign textbooks and curriculums, improve their foreign language skills, and experience cross-cultural international education without leaving the country. It is proven to be attractive to Chinese students, because they can enjoy the opportunity to study abroad within the Sino-foreign Jointly Managed Academic Programs without undergoing another lengthy admission process from a foreign university. Moreover, for students continuing their studies in a foreign country, they can benefit from their early exposure to the internationally recognized curriculum and learning environment.

Additionally, Sino-foreign Jointly Managed Academic Programs are designed to be sufficiently flexible to meet the needs of students in different majors and with different personal goals. Students may choose to finish their remaining one or two years of academic studies at the overseas partner universities, or continue their studies with the same Chinese host universities/colleges until graduation. Students enrolled in the programs can earn academic credits from both the Chinese host universities and the overseas partner universities, and can receive both Chinese and foreign diplomas/certificates when they complete their studies.

Further, this arrangement affords lower costs to students as compared with conventional full length studies for associate or undergraduate degrees overseas because the tuitions and living expenses are generally lower in China.

Our Services Provided under the Sino-foreign Jointly Managed Academic Programs

Under the Sino-foreign Jointly Managed Academic Programs, the Chinese host universities/colleges can utilize their existing administration ability, campus classrooms and facilities to recruit Chinese students into such programs, while leveraging the recognized name and reputation of the international partner universities.

These Sino-foreign Jointly Managed Academic Programs are required to obtain Sino-foreign cooperation education permits from the appropriate level of education authorities of the PRC, depending on the level of degrees. Applications for these permits are submitted by the programs under their own names, and we as service provider are not required to obtain permits separately.

Under the Sino-foreign Jointly Managed Academic Programs, we are responsible for one or more of the followings, depending on the terms of the agreements we have in connection with a specific program:

- (1) recommending and coordinating with accredited international universities to forge partnership with Chinese host universities/colleges to establish international education programs that offer degrees to graduating students;
- (2) developing, drafting, delivering and teaching language course content and teaching materials to improve students’ language skills to meet admission and academic standards overseas;
- (3) electing, recommending and assisting in recruiting qualified foreign faculty to teach major-specific courses or language courses at selected Chinese host universities and provide continuing support to such foreign faculty;
- (4) developing, drafting, delivering and teaching major-specific course content and teaching materials tailored towards the program course curriculum to ensure that the teaching quality and the entire program quality meet international standards, to optimize students’ learning outcome and to prepare them for further education overseas; and
- (5) providing course credit conversion services, offering students consistency and transparency in evaluating their academic achievement, and ensuring the academic credits these students earned at Chinese host universities can be recognized internationally.

Typically, students pay to the Sino-foreign Joint Managed Academic Programs tuition fees ranging from RMB15,000 (approximately US\$2,268) to RMB28,000 (approximately US\$4,233) per student per academic school year. As a result of performing the above-mentioned services, we are entitled to receive approximately 30% to 50% of such student tuitions. The Chinese host universities/colleges collect tuition paid by enrolled students at the beginning of each academic school year in September, and our portion is usually remitted to us by the host universities/colleagues in November of the same year.

From our inception in 2011 to December 31, 2018, we have coordinated and actively engaged in providing services under several Sino-foreign Jointly Managed Academic Programs. The following is a list of the programs we engaged in for the fiscal years ended December 31, 2018 and 2017. As of the date of this prospectus, we have ceased recruitment of students to the FUT ISEC Program and NZTC Program for the reasons discussed below.

| Program Name | Chinese host university/college | Launch time |
|---|---|----------------|
| (i) FMP Australia English for Academic Purposes Program (“FMP EAP Program”) | Fuzhou Melbourne Polytechnic (“FMP”) (formerly IEN College of Minjiang University, and changed its name to FMP after rebranding in January 2017) | September 2011 |
| (ii) Fujian-Taiwan Universities English for Academic Purposes Program (“Fu-Tai EAP Program”) | Strait College of Minjiang University | September 2011 |
| (iii) Strait College International General Education Courses Program (“Strait IGEC Program”) | Initially hosted by IEN College of Minjiang University in September 2013, then transferred to Strait College of Minjiang University after IEN College of Minjiang University rebranded to FMP in January 2017 | September 2013 |
| (iv) Fujian University of Technology International Scholarly Exchange Curriculum Program (“FUT ISEC Program”) | Fujian University of Technology | September 2013 |
| (v) Sino-New Zealand NZTC Program (“NZTC Program”) | Fujian Preschool Education College | September 2013 |

(i) *FMP EAP Program*

We started providing our EAP language training services to FMP since September 2011 (the “FMP EAP Program”). FMP offers various Sino-foreign Jointly Managed Academic Programs (the “FMP-MP Joint Programs”) as a Sino-foreign joint education institute established between Chinese host FMP and Melbourne Polytechnic of Australia (“MP”) in Australia. FMP was formerly known as IEN College of Minjiang University, which later rebranded to Fuzhou Melbourne Polytechnic, or FMP, and became a standalone legal entity.

Students enrolled in the FMP-MP Joint Programs typically follow the “2.5+1+1” model, studying two years in FMP in the PRC, half a year language training in Australia language training school, one undergraduate year in MP to receive a bachelor’s degree and one more postgraduate year in MP to receive a master’s degree. Students who successfully follow this model will earn their diplomas from both FMP and MP upon graduation. For those students who choose not to further pursue the overseas education, they will stay with FMP for additional one year to complete the general courses education to satisfy a three-year junior college education requirement in order to obtain a diploma from FMP.

Students taking our language courses under the FMP EAP Program are typically those who have lower English proficiency and who would have difficulty in being admitted to a university overseas. However, these students benefit from the intensive English curriculum, receiving two years of Australia English for Academic Purposes, or EAP training from our teachers, with 756 class hours for their freshman year and 252 class hours for their sophomore year. Each class typically accommodates 25 to 29 students. Upon completion of two-year EAP courses, students are targeted to meet level of proficiency of 5.5 (between modest user and competent user level) on a nine-band scale in IELTS, an international standardized test of English language proficiency for non-native English language speakers, and accepted by most Australian, British, Canadian and New Zealand academic institutions, and students are expected to be ready to attend classes in MP in their major or area of focus.

Pursuant to our currently effective EAP Agreement with FMP, which covers students in graduating classes from 2019 to 2023, we are responsible for designing curriculum meeting EAP English standards, recommending and managing EAP faculty, providing a mobile learning platform to students, providing a course preparation platform to teachers, and execution and performance of the curriculum we develop. Our educational services and responsibility only cover the first two year of EAP training. Afterwards, we are not responsible for providing additional services to students, no matter whether they choose to continue to stay with FMP for one additional year for a diploma, or choose to pursue the overseas study in Australia for higher education.

Our EAP faculty under the FMP EAP Program consists of English teachers we recommend to FMP for recruitment from overseas and in the PRC. These teachers split their teaching responsibilities depending on the requirements and nature of a specific course. For example, a spoken English course is typically staffed with native English speakers, while a reading comprehension course is typically staffed with English teachers who speak Mandarin Chinese.

The average tuition fee that FMP charges to enrolled students is RMB18,000 (USD 2,721) per student per school year. Since our services only cover the first two-year EAP courses training, we receive RMB9,000 (approximately \$1,360) per student per school year for the first year and RMB3,000 (approximately \$453) per student per school for the second year.

As of December 31, 2018, there were 551 students enrolled in the FMP EAP Program. Since 2014, we have served a total of 1,988 students (including those enrolled in IEN College of Minjiang University before the institute's rebranding).

(ii) Fu-Tai EAP Program

We provide Fu-Tai EAP Program in connection with the Fujian-Taiwan Universities Joint Talent Training Program (the "Joint Talent Program"), established in September 2011 between Chinese host Strait College of Minjiang University and Taiwan Chinese Culture University.

The Joint Talent Program follows the "3+1" dual campuses model. Students spend the first two years and the last year of their university studies at Strait College and their third year at Taiwan Chinese Culture University. At graduation, students receive a bachelor's degree from Minjiang University and certificate of completion or academic credit certificate from Taiwan Chinese Culture University.

Students enrolled in the Joint Talent Program receive two years of EAP training from our teachers (even if they spend three years at Strait College). These students include those who major in business and art. Students in business majors receive 360 class hours of EAP training during their first two years, and art students receive 300 class hours. Each class typically accommodates 25 to 29 students. Upon completion, the targeted level of English proficiency for average students is CET4, i.e., PRC's College English Test Band 4, the level required to be met upon graduating a four-year university; for some students, their targeted level of proficiency can be CET6 (the level required to be met upon graduating a master's program) or 5.5 to 6.0 (from between modest user and competent user to competent user level) in IELTS.

Pursuant to our current EAP Agreement with Strait College, which covers students graduating from 2020 to 2024, we are responsible for designing the curriculum meeting EAP English standard, recommending and managing EAP faculty, providing a mobile learning platform to students, providing a course preparation platform to teachers, and execution and performance of the curriculum we develop.

Similar to our FMP EAP Program, our EAP faculty under the Fu-Tai EAP Program consists of English teachers we recommend to Strait College for recruitment from overseas and in the PRC. These teachers split their teaching responsibilities depending on the requirements and nature of a specific course.

As of December 31, 2018, there had been 783 students enrolled in the Joint Talent Program. Since 2014, we have assisted 4,291 students.

(iii) Strait IGEC Program

The International General Education Courses ("IGEC") program is a Sino-foreign joint education program developed and introduced by the Chinese Service Center for Scholarly Exchange ("CSCSE"), a public organization under the MOE of the PRC, in order to improve the overall reform and internationalization of PRC's higher education. As a nationwide program, it is designed to encourage the exchange of teachers and students and the recognition of academic credits and degrees between Chinese and foreign universities. Currently there are four universities that are qualified to offer IGEC programs and we work with one of them. These participating universities have to undergo the review and approval of experts designated by CSCSE every year.

The Strait IGEC Program was launched in July 2013. Students enrolled in this program typically follow the "2+2" model which requires them to study at Chinese host Strait College for at least the first two years. Following the initial two year term, students may choose to finish their remaining two years' academic study overseas. Students in the "2+2" model under the Strait IGEC Program can transfer their academic credits to a partner school overseas, and upon graduation, will receive bachelor's degrees from both Strait College of Minjiang University and the foreign university. Other students may choose the "4+0" model and spend the entire four years studying at Strait College, upon which they would receive an undergraduate degree from the Chinese host Strait College of Minjiang University. For those students who choose the "4+0" model, our educational services and responsibility cover the whole four-year period.

We are responsible for offering 14 courses, including six English courses, four general knowledge courses and four major-related courses. All of these courses are provided by us and taught in English by the faculty we recommend to the program.

For the six English courses, we are responsible for designing the English intensive courses, providing the entire curriculum and teaching materials (including those for IELTS), and assisting in organizing and training the English teaching faculty, consisting of English teachers recruited from overseas and in the PRC. These six English courses are provided to students during their freshman and sophomore years, and include College Academic English Writing 1 (the general education course as required by an IGEC program), English Phonetics, Spoken English 1, Spoken English 2, Spoken English 3 and Spoken English 4. These English courses are based on English for General Purposes or everyday English, with focuses and directed by EAP, under the framework of English for Specific Purposes (a student's major).

Students under the Strait IGEC Program are also required to complete four general knowledge courses provided by us. Depending on a student's major, these courses can fall into categories including academic language and thinking, science, art and human science, and social studies.

The major-related courses we offer under the Strait IGEC Program are developed by adopting the major-specific curriculum systems offered at universities in the U.S. and are taught with English textbooks used by U.S. universities, with goals of strengthening academic foundations but focusing on application of knowledge. Currently, the involved majors include Economics and Accounting.

Under the Strait IGEC Program, we are responsible for promotion of the program, recruitment of students, staffing and management of foreign language teachers, and ensuring students to be connected with appropriate foreign universities in North America or Europe for the second half of their four-year studies for the "2+2" students.

The Strait IGEC Program is governed by an agreement originally signed between the Company and IEN College of Minjiang University in July 2013. After its rebranding efforts in 2017, IEN College began its operations under the name of Fuzhou Melbourne Polytechnic, or FMP and ceased to host the IGEC program, and Strait College of Minjiang University took over this agreement without modifications by an amendment to host our Strait IGEC Program. This agreement between the Company and Strait College is effective for ten years from July 8, 2013, and will be automatically renewed for another ten years if at the time of expiration Strait College is still cooperating with CSCSE to host the IGEC program going forward.

The average tuition fee that the Strait College charges to enrolled students is RMB28,000 (approximately \$4,233) per school year, and we receive 35%/40% of the tuition fee. The portion of tuition fees we receive from Strait College is RMB 9,800 (\$1,481) per student per school year for enrolled students for the first two years, and RMB 11,200 (\$1,693) per student per school year for enrolled students for the remaining two years.

As of December 31, 2018, there had been 893 students enrolled in the Strait IGEC Program. Over the years, we have assisted the aggregate of 4,507 students.

(iv) ISEC Program

The International Scholarly Exchange Curriculum ("ISEC") program is a PRC government sponsored and highly profiled program affiliated with the China Scholarship Council ("CSC") directly under the MOE in the PRC.

The FUT ISEC Program is governed by an agreement signed between the Company and FUT in December 2012. The program officially started providing courses to students in September 2013. By adopting and utilizing English textbooks used by U.S. universities, and by implementing interactive bilingual lectures, the FUT ISEC Program focuses on integrating domestic and international curriculum systems and teaching concepts to ensure students' exposure to international learning environment and instill in them strong English communication skills, a global vision, and team-work spirit, making them attractive to domestic and international employers, no matter which model students choose to follow.

Students enrolled in this program typically follow the "2+2" model which requires them to study at Chinese host FUT for the first two years, and finish their remaining two years' academic study overseas. Other students may choose the "4+0" model and spend the entire four years studying at Strait College. Students in the "2+2" model under the FUT ISEC Program can transfer their academic credits to a partner school overseas, and upon graduation, will receive bachelor's degrees from both FUT and the foreign university.

Under the FUT ISEC Program, we are responsible for promoting the program, recruiting students, staffing and managing foreign language teachers, and ensuring students are connected with the appropriate foreign universities in North America or Europe for the second half of their four-year studies. Students enrolled in the FUT ISEC Program can transfer their academic credits to a partner school overseas, and upon graduation, will receive bachelor's degrees from both FUT and the foreign university.

We are responsible for offering 16 courses (18 for architecture majors), including six English courses, four general knowledge courses and six major-related courses (eight for architecture majors).

For the six English courses, we are responsible for providing the entire curriculum and teaching materials (for IELTS) and assisting in organizing and training the English teaching faculty to ensure the quality of English teaching. These six English courses are provided to students during their freshman and sophomore years, and include College Academic English Writing 1 (the general education course as required by an ISEC program), English Phonetics, Spoken English 1, Spoken English 2, Spoken English 3 and Spoken English 4.

Under the FUT ISEC Program, we offer major-specific courses in architecture, civil engineering and software engineering. Architecture-related courses include: Building Mechanics, Construction Materials, History of Foreign Architecture, Building Equipment, Principles of Urban Planning, Residential District Planning and Design, Landscape Design Principles, and Urban Design. Civil engineering courses include: Elements of Building Construction, Introductory Environmental Engineering, Water Resources, Safety Production Technology and Management, Water and Wastewater Transport System, and Foundation Engineering. Our software engineering-related courses include: Computer Organization, Database Management Systems, Operation Systems, Software Engineering, Computer Network Systems, and Information Security.

(v) NZTC Program

The NZTC Program was launched in September 2013 based on an exclusive agreement between the Chinese host Fujian Preschool Education College ("FPEC") and New Zealand Tertiary College ("NZTC"). The NZTC Program provides Chinese students with the opportunity to study courses delivered by NZTC. In completing this program, students receive a Ministry of Education, or MOE Diploma in Early Childhood Education in the PRC and a certificate in Early Childhood Teaching issued by NZTC. The NZTC Program provides insightful knowledge to Chinese students as they are exposed to international perspectives and approaches in early childhood education. The NZTC Program also places great emphasis on English language skills, which are of growing importance in China for teachers and educators of young children.

Under the NZTC Program, we are responsible for designing English teaching plans and providing the entire curriculum and teaching materials (including IELTS). We provide five English courses under the NZTC Program, which are General English (Spoken English 1), General English (Spoken English 2), Academic English (Spoken English 1), Academic English (Spoken English 2), Academic English (Written English 2), and are responsible for selecting, recommending for recruitment and managing foreign faculty.

We also provide 10 major-related courses under the NZTC Program, including Introduction to Learning Online, Early Childhood Writing and Research 1 and 2, Play as a Framework for Learning, Planning and Learning, positive Child Guidance, Early Childhood Curriculum 1 and 2, Lifespan Studies 2, and Infants and toddlers.

The NZTC Program is governed by an agreement between the Company and FPEC. The term of the agreement is from September 2016 to July 2019, and without a renewal, the contract term expires in July 2019 when the enrolled students graduate from FPEC.

Discontinuation of ISEC Program and NZTC Program

Our programs provided under the ISEC Program and NZTC program were originally focused on improving students' English language skills. However, due to the overall low English proficiency of the students enrolled, we noted that most students could not adapt to the high standards of an English teaching environment. As a result, we ceased to recruit and enroll new students into the FUT ISEC Program with Fujian University of Technology after the then existing students graduated in July 2018. We also made a decision to suspend our continuous recruiting efforts for the NZTC Program with Fujian Preschool Education College after current students graduate in July 2019.

Sales of Textbooks and Course Materials

In connection with our educational services provided to students enrolled under the Sino-foreign Jointly Managed Academic Programs, we are responsible for recommending foreign faculty to teach in Chinese host universities/colleges, and are responsible for development and delivery of major course content and teaching materials to ensure that the teaching quality meets international standards. As of December 31, 2018, we have developed and edited more than 16 English textbooks and course materials with emphasis on language training (including reading, writing, speaking and listening skills) and have distributed those to the Chinese host universities to be used in the joint education programs. We own the copyright to our textbooks.

Overseas Study Consulting Services

One-on-one Private Tutoring Model

We started offering Overseas Study Consulting Services in 2017. Our Overseas Study Consulting Services cater to students who wish to study overseas to enrich their life learning experiences and to expand their horizons and employment options. Our Overseas Study Consulting Services are typically provided under a one-on-one private tutoring model with a duration of four to six months. Most of the students who accept our services are interested in pursuing art major in foreign academic institutions. We have established and maintained a working relationship with nearly 100 foreign academic institutions globally.

We provide school and university information to our students to help them make informed decisions on the institutions to submit application to and majors to pursue. We seek to recommend the appropriate schools to our students based on their individual needs and situations.

In addition, we help our students prepare their school application packages and advise on their entire admission process. We provide services to students with respect to study plans, language training and test preparation courses to assist them in improving their foreign language skills and help them achieve higher scores in international admission and assessment tests.

Moreover, we also help students on their visa applications and related paperwork, and offer optional overseas services, such as finding accommodation and travel assistance.

For our Overseas Study Consulting Services, we charge students a one-time up-front fee based on the scope of consulting services requested by the students and recognize revenue over the service period. 90% of the service fee collected is non-refundable and is recognized ratably as revenue over the service period; while the remaining 10% of the service fee is refundable and is deferred and recognized as revenue when a student is successfully admitted by a foreign institution and a student visa is granted. For the years ended December 31, 2018 and 2017, we refunded approximately \$8,300 of our services fees due to one student either not being admitted or not obtaining the required visa. Our average fee charged to students under the one-on-one private tutoring model ranges from RMB 50,000 (approximately \$7,353) to RMB 80,000 (approximately \$11,765) per student. Additionally, for our students who intend to study in Italy, after arrival, they are still required to attend language schools for at least six months (up to 12 months, depending on the type of visa they hold) in Italy. Presently, we cooperate with Bridge School S.R.L., a language school and overseas service provider in Milan, to better serve these students. In return, we receive an additional \$2,600 to \$3,115 per student from the local partner after the student pays such local partner's language and art related course tuition in full.

A physical location is not always needed under this one-one-one model, and when a physical location is required, services are offered at our headquarters location in Beijing.

On-campus Overseas Study Consulting Services

We have recently entered into cooperation agreements with the School of Continuing Education of Beijing Foreign Studies University for a German language program, and with China Academy of Art for an Italian language program, in order to provide our Overseas Study Consulting Services utilizing these partnering schools' facilities and other hardware. Our services will be similar to those we provide under our one-on-one model, including language training, art portfolio enhancement, school application review, and visa application and interview preparation.

We have not yet generated any revenue under those agreements since we are currently in the process of enrolling students for the academic year of fall of 2019 to 2020. With the well-recognized brand names of these schools and our marketing expertise, we expect to generate substantial revenues from the on-campus consulting services to be provided in the academic year of fall of 2019 to 2020. We believe we are strategically positioned to be fully enrolled, that is, for Beijing Foreign Studies University, 25 students, and for China Academy of Art, 20 students. The service fees we expect to receive is approximated \$2,580 per student per school year for Beijing Foreign Studies University and approximately \$8,284 per student per school year for China Academy of Art.

Technological Consulting Services for Smart Campus Solutions

We started to provide smart campus related technological consulting services to targeted Chinese universities since 2017. Our Technological Consulting Services for Smart Campus Solutions utilize advanced information technology such as cloud computing, mobile internet, artificial intelligence and big data analytics to provide overall solutions to Chinese universities in order to improve their teaching, research, student data management, storage and processing, and campus life services, and to optimize their teaching and operating environment and improve operational efficiency. By leveraging hardware such as sensors, digital portals, electronic blackboards, smartboards, projectors, LED display panels, high definition classroom audio and sound system and other lab-based equipment, together with data management applications, our solutions are built on both software and hardware to deliver capabilities for real-time and predictive analytics, increased collaboration and performance management. By way of illustration, some of the services we provide include campus intranet solution buildout, school management software customization, smart devices (mainly Internet of things, or IoT devices, extending the Internet connectivity to physical devices) installation and testing, and school management data collection and analysis, all of which can be specifically tailored to meet a client's particular needs.

Our Technological Consulting Services for Smart Campus Solutions agreements are primarily on a fixed-price basis. Typically, we are required to perform services including project planning, project solution and design, data management application customization, installations of hardware equipment and components for digital classrooms and academic experiment centers or labs, integration of hardware and software application, and post-contract continuous maintenance support, based on the specific needs from each customer. Upon delivery of services, project completion inspection and customer acceptance are generally required. We may also be required to provide post-completion maintenance support for a period ranging from several months to three years after customized smart campus solutions and services are delivered. Since 2017, we have successfully provided such technological consulting services to several Chinese universities, including but not limited to, Fuzhou Melbourne Polytechnic, Strait College of Minjiang University, Capital Normal University, Beijing University of Chinese Medicine and University of International Business and Economics. In addition, teachers and students involved in the Sino-foreign Jointly Managed Academic Programs can access our teaching and learning platforms to enhance their respective teaching and learning experience.

Case Study: Smart Campus Solutions for FMP

Pursuant to our 2017 Smart Campus Project Agreement with FMP (the "FMP Smart Campus Agreement"), we were commissioned to design and develop a comprehensive software and hardware solution (including the SaaS-based platform we develop) to FMP to address traditional campus challenges it faced, such as low management efficiency, poor service experience, severe energy waste, weak comprehensive security, and high operational costs. Under this agreement, we retain the copyrights of the 20 software we developed for this project.

Big Data Center. Our big data center is a business systems cluster based on SaaS, or software as a service, a software licensing and delivery model in which the licensing is on a subscription basis and is centrally hosted. We developed and maintain all of the business systems, which include mobile online learning system, registrar administration system, office automation system, teaching resources database system, and human resources system. These systems are used by students, management and teachers of FMP, as the case may be. We were required to complete the development of this big data center by December 20, 2018 and will provide continuous maintenance and upgrade services until the end of 2021. As of the date of this prospectus, we have already completed and delivered such big data center.

Smart Classroom. We will set up the multimedia system, recording system, internet of things system, classroom cloud desktop, wireless network coverage, speech laboratory, trapezoid classrooms, and premises distribution system for FMP.

Business Experimental Center. We will also build out the business experimental center for FMP by providing internal design installment, hardware device and teaching resources software.

Pursuant to the FMP Smart Campus Agreement, we also act as a general contractor to procure software and hardware required by the overall smart campus solution. We have entered into several procurement agreements with software providers such as e-commerce virtual simulation systems, cloud teaching systems, simulated trading analysis system, digital sandbox software, virtual business society environment comprehensive practice teaching platform.

We are paid in installments from 2019 to 2021 under the FMP Smart Campus Agreement. As of the date of this prospectus, we have received the full payment from FMP for the amount due.

Integration of Enterprises and Vocational Education

In order to further diversify our business and to utilize our resources and network, we rolled out a new line of business, i.e., Integration of Enterprises and Vocational Education in late 2018. Currently, we contract with employers to provide job readiness training to graduating students from the appropriate partner schools so that such students would be better equipped to serve the employer at their respective job positions. Our training programs typically last for one month and are tailored to meet the specific requirements of the contracting employer as well as the positions to be filled.

Pursuant to an agreement we entered with Beijing Quanqing Xiangqian Technology Co., Ltd. (“Quanqing”) effective from January 1 to December 31, 2019 (the “Recruitment and Training Agreement”), we are engaged to train and help recruit 200 technical support engineers for Quanqing in 2019. Pursuant to the Recruitment and Training Agreement, Quanqing is required to furnish to us details of positions to be filled, and based on such descriptions, we will identify and cooperate with six universities/colleges to offer training courses to students with certain qualifications. Each student enrolled will go through a one-month training process with us, covering professionalism (such as occupational mentality, communications skills, interview skills and service capacities), technical fundamentals (such as operations system, internet fundamentals and office IT applications) and professional techniques (such as trouble-shooting, repairing tools and methods for assembling and disassembling of equipment). A class typically has 20 to 30 students. After such training, students are tested on their professionalism, technical knowledge and technical skills by Quanqing. If a student passes in all three aspects, he/she will be hired by Quanqing, and Quanqing will pay us approximately \$75 per month starting at the end of the first month of employment for a period of eight months, i.e., the fixed period of time set forth in the Recruitment and Training Agreement. These payments from Quanqing are the only compensation we receive for providing the services under the Recruitment and Training Agreement. If a student-employee leaves Quanqing without good reason or violates certain rules before the end of the eighth month of his/her employment, we will only be paid by Quanqing for those months that such student-employees are employed. We typically sign a separate agreement with a student-employee before providing training services, pursuant to which the student-employee pays us approximately \$149 per month for the remaining months that the such student is not working for Quanqing. Nevertheless, we cannot assure you that such student-employee will pay us according to the agreement. See “Risk Factors – Risks Related to Our Business – We do not generate revenues under our job readiness training until a student is successfully placed and we will not be fully paid by the employer until such student-employee stay with the employer for a set period of time. If a student-employee fail to stay in his/her position for a reasonable amount of time, our results of operations and financial condition may be materially and adversely affected.”

Our Recruitment Partners

We have built a network of art studios operated by entities or individuals in cities throughout China as well as overseas, including Italy, Germany, Russia and Malaysia in order to reach more potential students for our services. We have not signed any agreements with these partners, but we evaluate our cooperative relationships with them annually. Typically, these partners are allowed to charge markups to students they recruit for us, and any markups to our standard tuitions are paid to these partners as commission. Additionally, we may reward these partners with 5%-10% of our standard tuitions as additional commissions, if they recruit more than five students within one year.

Our Teachers

We maintain a database of more than 6,000 teachers across academic areas including Philosophy, Economics, Law, Education, Literature, History, Science, Engineering, Medicine, Management, Art and language. Based on the specific needs and requirements of each school or educational institution, we are able to contact teachers listed in our database in the relevant field of education so as to recommend them to a teaching position at one of our clients. For example, pursuant to agreements related to the Sino-foreign Jointly Managed Academic Programs, we are required to staff the courses we provide to those institutions with foreign teachers that meet standards such as bachelor’s degree or higher, two or more years of experience of teaching overseas, and a TESOL (or teachers of English to speakers of other languages) certificate.

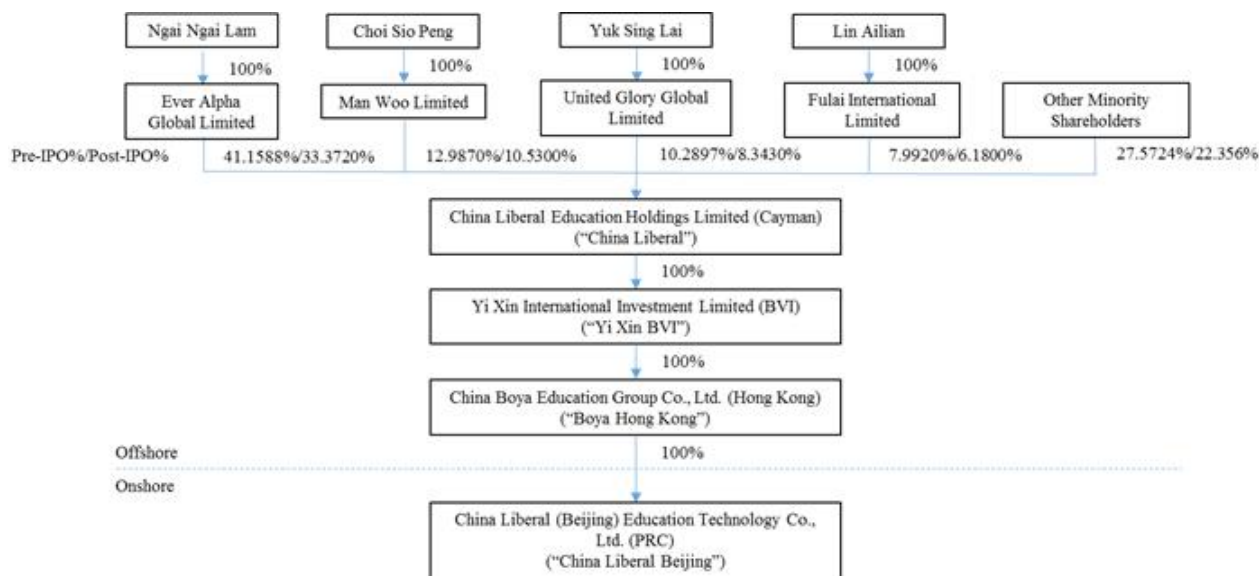
Currently, there are thirteen foreign language teachers recommend by us teaching at FMP and Strait College (including the Fu-Tai EAP Program and the Strait IGEC program).

Our History and Corporate Structure

China Liberal Education Holdings Limited, or China Liberal, was incorporated in the Cayman Islands on February 25, 2019. As of the date of this prospectus, our authorized share capital is \$50,000 divided into 50,000 ordinary shares. We directly hold 100% of the equity interests of Yi Xin International Investment Limited, a company incorporated in the British Virgin Islands, which in turn holds 100% of China Boya Education Group Co., Limited, a Hong Kong limited liability company (“Boya Hong Kong”). Boya Hong Kong originally holds 91.1772% equity interests of China Liberal Beijing, our PRC operating entity. On February 1, 2019, Boya Hong Kong entered into share transfer agreements with each of the non-controlling shareholders of China Liberal Beijing and completed the acquisition of the 8.8228% non-controlling interest in China Liberal Beijing. After this transaction, Boya Hong Kong owns 100% interest of China Liberal Beijing.

We commenced our operations in August 2011 through China Liberal Beijing.

The following diagram illustrates our corporate structure as of the date of this prospectus and upon completion of the Offering based on 1,166,667 Ordinary Shares being offered and assuming the over-allotment option is not exercised by the Underwriter:



Our Competitive Strengths

We believe our success is primarily attributable to the following strengths:

Innovative, flexible and cost-effective smart campus solutions

The SaaS platform developed by our Company offers comprehensive smart campus solutions, including teaching, student affairs, human resources, office and financial management. This platform is flexible and programmable to meet the needs of different campuses with fast and low-cost programming. Additionally, our big data module is programmable based on our client's needs, which enables us to provide campuses with cost-effective big data products.

Innovative and visionary management team with proven track record

We have an innovative and visionary management team with a unique combination of experience in the education and technology sectors. We have a stable, long-serving management team with prior experience working with market leading educational consulting and software companies.

Our management team has deep industry insights, clear strategies, and strong execution capabilities. We started as an educational provider under our Sino-foreign Jointly Managed Academic Programs, but rapidly expanded our services to fill the market gaps with the goal of forming a closed loop education related service provider and problem solver. For example, our pre-session on campus training services stemmed from our one-on-one consulting services and is a more scalable model. We developed the smart campus solutions for one of our long-time partners, and are now able to offer such solutions to more campuses.

We have built a strong sales team with a focus on art students

We have built a specialized art and creativity talent online-community operations team with more than 100,000 followers over several social media platforms, including Zhihu, Weibo and WeChat. These followers fall into various interest categories, such as comics, art portfolio studies, clothing design and overseas studies for art students. Overall, we have invested more than \$500,000 each year in 2017 and 2018 in marketing and promotion.

Our Business Strategy

We continue to generate revenue from our core businesses, while expanding to related business segments in our effort to maximize our existing resources, as well as striving to meet the needs of our clients. In the coming years, we plan to diversify our income model by growing our four business sections simultaneously. We are dedicated to enabling our students to capture life-changing opportunities by delivering transformative education services and by working with our partners. Our goal is to provide China's students with the tools to excel in a global environment. We intend to achieve our goal by pursuing the following strategies:

Continue to invest in technology and leverage our exceptional strength in our intellectual property

We intend to continually invest in technology in order to further develop our smart campus solution. We plan to invest \$179,447 and staff 11 R&D personnel in optimizing and upgrading the SaaS platform owned and developed by us for FMP, and to provide demo solutions to Strait Institute by April 2019. By May 2019, we plan to invest \$112,155 and staff seven R&D personnel to develop a no-touch attendance tracking system. By September 2019, we plan to invest \$239,263 and staff 14 R&D personnel to develop a big data training platform based on the existing teaching platform. By September 2019, we plan to invest \$119,632 and staff seven R&D personnel to complete the big data laboratory integration solution. By December 2019, we plan to invest \$97,201 and staff six R&D personnel to complete implementation of our SaaS platform to one or two more campus(es).

Offer our smart campus solutions to other partnering schools

Our smart campus solutions provide an integrated ecosystem for management, teachers and students of a school, allowing highly efficient coordination of data and information. These solutions, including the SaaS platform developed by us can be duplicated and applied to other campuses. Currently, we are negotiating with seven other schools to provide similar solutions to them. We intend to continue these conversations and enter into formal agreements with these schools.

Expand our focuses to include computer science students

We intend to expand and diversify our focuses to include computer science major. We have already reached a mutual understanding with a vocational college to set up a “Big Data and Applicable Technology” major on its campus, where we will provide education to students with strong focuses on their job readiness and practical training.

Continue to invest in sales and marketing activities to recruit art students for our one-on-one consulting services

We will continue to boost our sales and marketing efforts to recruit art students in two ways: (1) ground promotion, i.e., to target local schools and art studios to promote our services in the cities or provinces of Hangzhou, Shandong, Guangzhou, Beijing, Hebei, Fuzhou and Chongqing; and (2) online promotion. We expect to recruit a majority of our art students from ground promotion, and plan to spend approximately \$45,000 in Hangzhou and \$30,000 in Shandong alone. We currently plan to spend approximately \$22,000 in online promotion.

Expand classroom-based pre-session training services based on our current proven one-on-one consulting model

Based on our successful one-on-one consulting services model, we have sought to cooperate with schools with established brand names in foreign language studies in order to provide on-campus pre-session training (or training before students going overseas) utilizing the PRC partnering schools’ facilities and other hardware. We intend to continue to seek potential partners to scale this model.

Establish our own-branded schools

In 2019, we intend to further diversify our services by introducing two schools with our own “China Liberal” brand, located in Beijing and Italy, respectively. These schools will provide preparatory courses similar to those offered under the on-campus pre-session programs, but at our own campuses and under our own brand name.

For the China Liberal school located in Beijing, we plan to use our current headquarters as classrooms, which are lecture-ready. We plan to offer an area of 3,000 square feet, six classrooms with the capacity of hosting 100 students. We plan to staff 10 teachers and invest operational capital. We expect to enroll 80 students in 2019 at this location. We are actively communicating with the local education commission regarding our plan and timeline. The local education commission is the authority to issue to us the necessary private school permit. See “*Risk Factors – Risks Related to Our Business – ‘We cannot assure you that the new China Liberal-branded schools that we intend to open in Beijing and in Italy will be opened as scheduled, if at all.’*”.

As for our school in Italy, we are currently in discussions with Linguaviva Educational Group to establish a school in Milan. We expect to start providing services in November 2019 with 60 to 70 students enrolled at this location. Under our proposed agreement, Linguaviva will be responsible for the Italian language courses (EUR5,500 per student for 1,000 course hours), while we will be responsible for art courses (EUR3,300 EUR for less than 200 course hours). We will both recruit students for this school and for each student one entity brings in, the other will pay a certain percentage of commission based on such student’s tuition fee. See “*Risk Factors – Risks Related to Our Business – We cannot assure you that the new China Liberal-branded schools that we intend to open in Beijing and in Italy will be opened as scheduled, if at all.’*”

Employees

We had 80 full-time employees as of June 30, 2019. Most of our full-time employees have signed employment agreements for three years. The Company and its employees may elect to re-negotiate and renew the employment agreements before expiration. We also hired 13 part-time financial, education or sales and marketing consultants as of June 30, 2019. The following table sets forth the number of our full-time employees, categorized by function as of June 30, 2019.

As of June 30, 2019

| | |
|-------------------------|----|
| Management | 3 |
| Sales staff | 25 |
| Technical support staff | 18 |
| Operations staff | 18 |
| Administrative staff | 16 |
| Total | 80 |

As required by PRC laws and regulations, we participate in various employee social security plans for our employees that are administered by local governments, including housing, pension, medical insurance and unemployment insurance. We compensate our employees with basic salaries as well as performance-based bonuses. None of our employees are represented by any collective bargaining arrangements, and we consider our relations with our employees to be good.

Competition

The education sector and overseas studies consulting sector in the PRC are rapidly evolving, highly fragmented and competitive. We expect competition in these sectors to persist and intensify. We face competition in each line of business, each major program we offer and each geographic market in which we operate.

Line of Business

Services Provided under Sino-foreign Jointly Managed Academic Programs

Overseas Study Consulting Services

Technological Consulting Services Provided for Smart Campus Solutions

Integration of Enterprises and Vocational Education

Competitors

- China Maple Leaf Educational Systems Limited
- Beida Jade Bird Group
- Huali University Group Limited

- Dadi Education Holdings Limited
- China Media Group
- Beijing Lanxum Technology Holdings Limited

- Wasu Media Holding Co., Ltd.
- Newcapec Electronics Co., Ltd.
- Zhejiang Zhengyuan Zhihui Technology Holdings Limited

- Shiji Dingli Holdings Limited
- Shanghai Xin Nanyang Angli Education Technology Holdings Limited
- Changsha Kaiyuan Instrument Co., Ltd.

We believe that the principal competitive factors in our markets include brand recognition, student performance track records, overall student experience, parent satisfaction, quality of teachers, ability to effectively market programs, services and products to a broad base of prospective students, effectively identifying and successfully cooperating with prominent schools, diversity of programs and products offered, and tuition fees.

We believe that our primary competitive advantages are our strong sales team, our innovative and cost-effective smart campus solutions, and experienced and visionary management team with a proven track record. However, some of our existing and potential competitors may have more resources than we do. These competitors may be able to devote greater resources than we can to the development, promotion and sale of their programs, services and products and respond more quickly than we can to changes in student demands, testing materials, admissions standards, market needs or new technologies. In addition, we face competition from many different smaller sized organizations that focus on some of our targeted markets, which may be able to respond more promptly to changes in student preferences in these markets.

Legal Proceedings

We are not currently a party to any litigation the outcome of which, if determined adversely to us, would individually or in the aggregate be reasonably expected to have a material adverse effect on our business, operating results, cash flows or financial condition.

Intellectual Property

Our trademarks, copyrights, domain names, trade secrets and other intellectual property rights distinguish our products and services from those of our competitors and enhance our ability to compete in our target markets. Our principal intellectual property assets consist of copyrights in our software and our textbooks. Ownership of such copyrights secures the exclusive right to publish or use the work in the PRC.

In addition, our intellectual property rights also include seven trademark registrations in the PRC and six domain names registrations. We do not own any patents. See “*Regulations-Regulations on Intellectual Property Rights.*”

We believe we have taken, and take in the ordinary course of business, all appropriate available legal steps to reasonably protect our intellectual property in all material jurisdictions. To protect our brand and other intellectual property, we rely on a combination of trademark, copyright, domain names, know-how and trade secret laws as well as confidentiality agreements with our employees, contractors and others. We cannot be certain that our efforts to protect our intellectual property rights will be adequate or that third parties will not infringe or misappropriate these rights. See “*Risk Factors-If we fail to protect our intellectual property rights, our brand and business may suffer.*”

Copyrights

As of the date of this prospectus, we have registered 16 copyrights in our textbooks in the PRC, details of which are set out below:

| No. | Name of Publication | Copyright Owner | Date of Completion(1) |
|-----|---------------------|-----------------------|-----------------------|
| 1 | EGP Listening 1 | China Liberal Beijing | September 2015 |
| 2 | EGP Listening 2 | China Liberal Beijing | September 2015 |
| 3 | EGP Speaking 1 | China Liberal Beijing | September 2015 |
| 4 | EGP Speaking 2 | China Liberal Beijing | September 2015 |
| 5 | EGP Reading 1 | China Liberal Beijing | September 2015 |
| 6 | EGP Reading 2 | China Liberal Beijing | September 2015 |
| 7 | EGP Writing 1 | China Liberal Beijing | September 2015 |
| 8 | EGP Writing 2 | China Liberal Beijing | September 2015 |
| 9 | EAP Listening 1 | China Liberal Beijing | January 2016 |
| 10 | EAP Listening 2 | China Liberal Beijing | January 2016 |
| 11 | EAP Speaking 1 | China Liberal Beijing | January 2016 |
| 12 | EAP Speaking 2 | China Liberal Beijing | January 2016 |
| 13 | EAP Reading 1 | China Liberal Beijing | January 2016 |
| 14 | EAP Reading 2 | China Liberal Beijing | January 2016 |
| 15 | EAP Writing 1 | China Liberal Beijing | January 2016 |
| 16 | EAP Writing 2 | China Liberal Beijing | January 2016 |

(1) According to the PRC’s intellectual property laws, we obtain the copyrights to our textbooks upon completion.




As of the date of this prospectus, we have registered 23 software copyright registration in the PRC, details of which are set out below:

| No. | Software Name | Registration No. | Date of Development | Date of First Publication |
|-----|---|------------------|---------------------|---------------------------|
| 1 | China Liberal Cloud Classroom Management System 1.0 | 2016SR040754 | September 30, 2015 | October 1, 2015 |
| 2 | China Liberal Cloud Classroom Teacher Software 1.0 | 2016SR046771 | September 30, 2015 | October 1, 2015 |
| 3 | China Liberal Cloud Classroom Student Software 1.0 | 2016SR044977 | September 30, 2015 | October 1, 2015 |
| 4 | China Liberal Cloud Classroom Lesson Planning System 1.0 | 2016SR123004 | September 30, 2015 | October 1, 2015 |
| 5 | China Liberal Cloud Classroom Learning Statistical Data System 1.0 | 2016SR122336 | September 30, 2015 | October 1, 2015 |
| 6 | China Liberal Cloud Classroom Recommendation System 1.0 | 2016SR130198 | September 30, 2015 | October 1, 2015 |
| 7 | China Liberal Cloud Classroom Practice Questions System 1.0 | 2016SR123966 | September 30, 2015 | October 1, 2015 |
| 8 | Pocket Classroom (Android) Software 1.0 | 2017SR036399 | September 1, 2016 | Not published |
| 9 | Pocket Classroom (IOS) Software 1.0 | 2017SR037051 | September 1, 2016 | Not published |
| 10 | Pocket Classroom (Android) Software 1.0 | 2017SR040835 | September 1, 2016 | Not published |
| 11 | Pocket Classroom (IOS) Software 1.0 | 2017SR040674 | September 1, 2016 | Not published |
| 12 | Pocket Classroom Date Management System 1.0 | 2017SR036411 | September 1, 2016 | Not published |
| 13 | China Liberal Smart Campus Registrar System (For Teacher) | 2017SR712252 | September 1, 2017 | Not published |
| 14 | China Liberal Smart Campus Registrar System (For Student) | 2017SR714193 | September 1, 2017 | Not published |
| 15 | My Lessons (Android) Software | 2017SR710050 | September 1, 2017 | Not published |
| 16 | My Lessons (IOS) Software | 2017SR707597 | September 1, 2017 | Not published |
| 17 | My Textbook (Android) Software | 2017SR712427 | September 1, 2017 | Not published |
| 18 | My Textbook (IOS) Software | 2017SR709724 | September 1, 2017 | Not published |
| 19 | China Liberal Smart Campus Office Automation Management System | 2019SR0023351 | September 1, 2018 | Not published |
| 20 | China Liberal Smart Campus Human Resources Management System | 2019SR0021945 | November 2, 2018 | Not published |
| 21 | China Liberal IoT Attendance Management Platform | 2019SR0324187 | January 4, 2019 | January 4, 2019 |
| 22 | China Liberal Laboratory Operations and Maintenance Management Platform | 2019SR03433739 | March 11, 2019 | March 11, 2019 |
| 23 | China Liberal Laboratory Safety Management Platform | 2019SR0346228 | March 11, 2019 | March 11, 2019 |

The right to publish and to monetary gains related to copyrights and software copyrights lasts for 50 years in the PRC, which will expire on December 31 of the 50th year after the date of publication. Such protection will not be extended if the textbook or software is not published within 50 years after the date of its completion or development.

Trademarks

As of the date of this prospectus, we have seven registered trademarks in the PRC, details of which are set out below:

| No. | Trademark | Class | Registration No. | Registration Date | Expiry Date |
|-----|---|-------|------------------|-------------------|-------------------|
| 1 |  | 41 | 12291328 | August 28, 2014 | August 27, 2024 |
| 2 |  | 42 | 12291054 | August 28, 2014 | August 27, 2024 |
| 3 | 华夏博雅 | 9 | 17328159 | September 7, 2016 | September 6, 2026 |
| 4 | 华夏博雅 | 42 | 17328158 | September 7, 2016 | September 6, 2026 |
| 5 | 阿托皮亚 | 41 | 21854350 | December 28, 2017 | December 27, 2027 |
| 6 | 阿托皮亚 | 42 | 21854351 | December 28, 2017 | December 27, 2027 |
| 7 |  | 41 | 21869652 | December 28, 2017 | December 27, 2027 |

Domain Names

As of the date of this prospectus, we have registered the following domain names in the PRC, details of which are set out below:

| No. | Holder | Domain name | Registration Date | Expiry Date |
|-----|-----------------------|------------------|-------------------|------------------|
| 1. | China Liberal Beijing | chinaliberal.com | July 30, 2013 | July 30, 2022 |
| 2 | China Liberal Beijing | artopia-zone.com | August 8, 2016 | August 8, 2019 |
| 3 | China Liberal Beijing | aeacip.com | January 10, 2019 | January 10, 2020 |
| 4 | China Liberal Beijing | aeacip.cn | January 10, 2019 | January 10, 2020 |
| 5 | China Liberal Beijing | arttopia.cn | August 5, 2016 | August 5, 2019 |

Facilities/Properties

Our current principal executive office is located on the second floor of Building No. 1, Huateng Century Park Headquarters, Chaoyang District, Beijing, PRC. We lease nine rooms with an aggregate of approximately 9,800 square feet at this location for office and language training purposes. Our lease will end on May 31, 2022.

We also lease two other offices in Beijing, one in Hangzhou City, Zhejiang Province, one in Fuzhou City, Fujian Province, and one in Ji'nan City, Shandong Province to support part of our sales and marketing activities.

The below table shows details of our current leases:

| No. | Location | Use | Area (sq. ft.) | Rent | Expiration | Renewal Terms |
|-----|---|---------------------|-------------------------|--|----------------------|--|
| 1 | (Headquarters) Beijing Chaoyang District Huateng Century Park Headquarters Bldg. No. 1, 2 nd Fl. | Office/ Training | 9,784.4 | \$18,400 per month | May 31, 2022 | The Company shall send written notice to the landlord six months before expiration of its intention to renew the lease. |
| 2 | Beijing Tongzhou District | Art Studio | 1,399.3 | \$11,951 per year | April 30, 2021 | The Company shall send written notice to the landlord three months before expiration of its intention to continue to lease the property; a new lease shall be signed if the landlord agrees. |
| 3 | China Academy of Art (Hangzhou) | Office | Unknown | Not applicable | November 9, 2021 | We have a cooperation relationship with China Academy of Art and they allow us to use this office without charge |
| 4 | Fuzhou City Taijiang District | Office | 756.2 | \$997 first year; \$1,067 second year; \$1,141 third year | July 26, 2021 | The Company shall send written notice to the landlord two months before expiration of its intention to continue to lease the property; a new lease shall be signed if the landlord agrees. |
| 5 | Shandong Ji'nan Lixia District | Office | 1,150.1 | \$1,643 per month | July 31, 2019 | No renewal terms. |
| 6 | Beijing Chaoyang District | Office | co- working space | \$1,813 per month | December 31, 2019 | Automatic renewal; the lease becomes a month-to-month lease. |

Except our Hangzhou office where we are allowed to use the office free of charge due to our cooperation relationship with China Academy of Art, we lease all of the facilities that we currently occupy from independent third parties. We believe that the facilities that we currently lease are adequate to meet our needs for the foreseeable future.

Seasonality

We have experienced, and expect to continue to experience, seasonal fluctuations in our operations, primarily due to seasonal changes in student enrollments. Historically, our one-on-one consulting services tend to have the largest student enrollments in our third and fourth fiscal quarters, which runs from July 1 to December 31 of each year, primarily because many students enroll in our courses to prepare for admissions and assessment exams in subsequent school terms, and our language training courses offered at Sino-foreign joint programs typically make payments to us in October or November based on their student enrollments in the fall.

REGULATIONS

We operate our business in the PRC under a legal regime consisting of the State Council, which is the highest authority of the executive branch of the PRC central government, and several ministries and agencies under its authority, including the State Administration of Foreign Exchange, or SAFE, the Ministry of Commerce, or MOFCOM, the National Development and Reform Commission, or NDRC, the Ministry of Education, or MOE, the General Administration of Press and Publication, or GAPP, the State Administration for Market Regulation, or SAMR, formerly known as the State Administration for Industry and Commerce, the Ministry of Civil Affairs, or MCA, the Ministry of Culture, or MOC, and their respective authorized local counterparts.

Regulations on Education

The principal regulations governing private education in China consist of the Education Law of the PRC, The Law for Promoting Private Education (2018) and The Implementation Rules for the Law for Promoting Private Education (2004), and the Regulations on Sino-Foreign Cooperation in Operating Schools. Below is a summary of relevant provisions of these regulations.

Education Law of the PRC

On March 18, 1995, the National People's Congress enacted the Education Law of the PRC, which was later amended on June 1, 2016. The Education Law sets forth provisions relating to the fundamental education systems of the PRC, including a school system of pre-school education, primary education, secondary education and higher education, a system of nine-year compulsory education, a system of vocational education and a system of continuing education. The Education Law stipulates that the government formulates plans for the development of education and establishes and operates schools and other institutions of education and in principle, enterprises, social organizations and individuals are encouraged to operate schools and other types of educational organizations in accordance with PRC laws and regulations. Meanwhile, schools and other educational institutions established or run with fiscal expenses or donated assets shall not operate for profit-making purposes. The Education Law of the PRC establishes a general regulatory framework of education industry in the PRC, while specific requirements and obligations applicable to education providers are set forth in various regulations. China Liberal Beijing is not aware of any of our its current business activities being in violation of the Education Law of the PRC.

Regulations on Sino-foreign Cooperation in Operating Schools

Sino-foreign cooperation in operating schools or training programs is specifically governed by the Regulations on Operating Sino-foreign Schools, promulgated by the State Council in 2003 and amended in 2013 in accordance with the Education Law, the Occupational Education Law and the Law for Promoting Private Education, and the Implementing Rules for the Regulations on Operating Sino-foreign Schools, or the Implementing Rules, which were issued by the MOE in 2004.

The Regulations on Operating Sino-foreign Schools and its Implementing Rules encourage substantive cooperation between overseas educational organizations with the requisite qualifications and experience in providing high-quality education and Chinese educational organizations to jointly operate schools in the PRC, with such cooperation in the areas of higher education and occupational education being encouraged. Sino-foreign cooperative schools are not permitted, however, to engage in compulsory education and military, police, political and other kinds of education that are deemed to be of a sensitive in the PRC.

Permits for Sino-foreign Cooperation in Operating Schools shall be obtained from the relevant education authorities or the authorities that regulate labor and social welfare in the PRC.

China Liberal Beijing is not required to obtain such permits. Rather, the Chinese host universities/colleges are responsible for obtaining and maintaining currently valid permits.

Regulations on Private Schools

The Law for Promoting Private Education (2018) and The Implementation Rules for the Law for Promoting Private Education (2004)

The Decision of the Standing Committee of the National People's Congress on Amending the Law for Promoting Private Education of the PRC, has been promulgated by Order No. 55 of the President of the PRC on November 7, 2016, became effective on September 1, 2017, and later further amended on December 29, 2018 (the "2018 Private Education Law").

The Implementation Rules for the Law for Promoting Private Education (2004) became effective on April 1, 2004 (the "2004 Implementation Rules"). Under these regulations, "private schools" are defined as schools established by social organizations or individuals using non-government funds.

In addition, private schools providing certifications, pre-school education, education for self-study aid and other academic education are subject to approval by the education authorities at or above the county level, while private schools engaging in occupational qualification training and occupational skill training are subject to approvals from the authorities in charge of labor and social welfare at or above the county level. A duly approved private school will be granted a Permit for operating a Private School, and shall be registered with the MCA or its local counterparts as a privately run non-enterprise institution.

On August 10, 2018, the Ministry of Justice, or MOJ published the draft submitted for approval for the amendment to the Implementation Rules for the Law for Promoting Private Education (the “MOJ Draft Amendments”), for public comments. The MOJ Draft Amendments stipulate that the establishment of private training and educational organizations enrolling students of kindergarten, primary school, middle and high school age and implementing activities relating to cultural and educational courses at school, or examination-related and further education-related tutoring and other cultural and educational activities, would be subject to the review and approval by education authorities at or above the county level in accordance with the Article 12 of the 2018 Private Education Law. The establishment of private training and educational organizations that implement activities aiming at essential-qualities-oriented improvement and personality development in the areas of linguistic competence, arts, physical activities, technology, and activities targeting at cultural education for adults and non-degree continuing education can apply to register as a legal person directly, i.e., there is no need to apply for approval. However, such private training and/or educational organization must not carry out the cultural and educational activities mentioned above, which requires the review and approval of the applicable education authorities.

Under the above regulations, private schools have the same status as public schools, though private schools are prohibited from providing military, police, political and other kinds of education of a sensitive nature. However, the operation of a private school is highly regulated.

The sponsors of privately-run schools may establish non-profit or for-profit privately-run schools at their own discretion. However, they are prohibited from establishing for-profit privately-run schools providing compulsory education. The sponsor of a for-profit privately-run school may gain proceeds from school running, and the cash surplus of the school shall be disposed of in accordance with the Company Law and other relevant laws and administrative regulations. Private schools are divided into two categories: non-profit privately-run school and for-profit privately-run schools.

At the end of each fiscal year, every private school is required to allocate a certain amount to its development fund for the construction or maintenance of the school or procurement or upgrade of educational equipment. In the case of a private school that requires reasonable returns, this amount shall be no less than 25% of the annual net income of the school, while in the case of a private school that does not require reasonable returns, this amount shall be equal to no less than 25% of the annual increase in the net assets of the school, if any. Private schools that do not require reasonable returns shall be entitled to the same preferential tax treatment as public schools, while the preferential tax treatment policies applicable to private schools requiring reasonable returns shall be formulated by the finance authority, taxation authority and other authorities under the State Council. To date, however, no regulations have been promulgated by the relevant authorities in this regard.

Under the 2018 Private Education Law and the 2004 Implementation Rules, there is no explicit provisions that China Liberal Beijing is required to obtain any permit or approval for providing art or language related training courses, including a future China Liberal-branded school. Therefore, we do not believe that our business activities are in violation of the 2018 Private Education Law as in effect and the 2004 Implementation Rules, nor do we anticipate that a future China Liberal-branded school would violate such law and rules. If the MOJ Draft Amendments to the Implementation Rules are passed and adopted in their current form, it will be explicitly confirmed under these regulations that China Liberal Beijing is not required to obtain any permit or approval for the services it provides, or will provide under the China Liberal-branded school, which will further and formally confirm that our current and future business are in compliance with laws and regulations in connection with regulations on private educations. See “*Risk Factors – Risks Related to Our Business - We face regulatory risks and uncertainties surrounding PRC laws and regulations governing the education industry in general, including the amendments to the Implementation Rules for the Law for Promoting Private Education*”.

Regulations on Publishing and Distribution of Publications

In December 2001, the PRC State Council promulgated the Administrative Regulations on Publications, which became effective on February 1, 2002 and were later amended several times in 2011, 2013, 2014 and February 6, 2016 (the “Publication Regulation”). The Publication Regulations apply to publication activities, i.e., the publishing, printing, copying, importation or distribution of publications, including books, newspapers, periodicals, audio and video products and electronic publications, each of which requires approval from the relevant publication administrative authorities.

On April 13, 2005, the State Council announced a policy on private investments in China that relate to cultural matters, which affects private investments in businesses that involve publishing. The policy authorizes MOC and several other central government authorities to adopt detailed rules to implement the policy. In July 2005, MOC, together with other central government authorities, issued a regulation that prohibits private and foreign investors from engaging in the publishing business.

Subsequent to the implementation of the Publication Regulations, the GAPP issued the Administrative Regulations on Publications Market which became effective on September 1, 2003 and which were amended on June 16, 2004 and June 1, 2016. According to the Administrative Regulations on Publications Market, any organization or individual engaged in general distribution, wholesale or retail of publications shall obtain a Permit for Operating Publications. Distribution of publications in the PRC is regulated on different administrative levels. An entity engaged in general distribution of publications shall obtain such permit from the GAPP and may conduct general distribution of the publications in the PRC; an entity engaged in wholesaling of publications shall obtain such permit from the provincial counterpart of GAPP and may not engage in general distribution in the PRC; and an entity engaged in retail distribution of publications shall obtain such permit from the local counterpart of GAPP at the county level and may not conduct general distribution or wholesaling of publications in the PRC.

We are subject to these regulations on publishing and distribution of publications even though we limit the use of our textbooks to a small number of students (rather than selling to the general public). Currently, we have not applied for such approval and permit. Although as of the date of this prospectus, we have not been subject to any fines or other forms of regulatory or administrative penalties or sanctions due to the lack of any the above-mentioned approvals or permits, we cannot assure you the government authorities will not impose any penalties or sanctions on us in the future for any non-compliance in the past. See *“Risk Factors – Risks Related to our Business - Our failure to obtain and maintain approval and permit related to publishing and selling our textbooks could have a material adverse impact on our business, financial conditions and results of operations.”*

Regulations on Protection of the Right of Dissemination through Information Networks

On May 18, 2006, the State Council promulgated the Regulations on Protection of the Right of Dissemination through Information Networks, which became effective on July 1, 2006 and were later amended on January 30, 2013. The new regulations require that every organization or individual who disseminates a third party's work, performance, audio or visual recording products to the public through information networks shall obtain permission from, and pay compensation to, the legitimate copyright owner of such products, unless otherwise provided under relevant laws and regulations. The legitimate copyright owner may take technical measures to protect his or her right of dissemination through information networks and any organization or individual shall not intentionally avoid, destroy or otherwise assist others in avoiding such protective measures unless permissible under law. The new regulations also provide that permission from and compensation for the copyright owner are not required in the event of limited dissemination to teaching or research staff for the purpose of school teaching or scientific research only. Since we are only disseminating publications to a limited number of students within the programs we service, we are not aware of any events of our business activities in violation of such regulations.

Provisions on Foreign Investment

All limited liability companies and joint stock limited companies incorporated and operating in the PRC are governed by the *Company Law of the People's Republic of China*, or the Company Law, which was amended and promulgated by the Standing Committee of the National People's Congress on October 26, 2018. In the latest amendment, paid-in capital registration, minimum requirements of registered capital and timing requirements of capital contributions were abolished. Foreign invested projects must also comply with the Company Law, with exceptions as specified in foreign investment laws.

With respect to the establishment and operation of wholly foreign-owned projects, or WFOE, the MOFCOM and NDRC, promulgated the Special Administrative Measures for the Access of Foreign Investment (Negative List) (2019 Version) (the “2019 Negative List”) on June 30, 2019, which became effective on July 30, 2019. The 2019 Negative List has replaced the Special Administrative Measures for the Access of Foreign Investment (2018 Version) (the “2018 Negative List”) and serves as the main basis for management and guidance for the MOFCOM to manage and supervise foreign investments. Those industries not set out in the 2019 Negative List shall be classified as industries permitted for foreign investment. None of our four lines of business, i.e. Sino-foreign Jointly Managed Academic Programs, Overseas Study Consulting Services, Technological Consulting Services for Smart Campus Solutions, and Integration of Enterprises and Vocational Education, are on the 2019 Negative List. Therefore, the Company is able to conduct its business through its wholly owned PRC Subsidiary, China Liberal Beijing, without being subject to restrictions imposed by the foreign investment laws and regulations of the PRC.

On September 3, 2016, the Standing Committee of the National People's Congress promulgated the Decision of the Standing Committee of the National People's Congress on Amending Four Laws Including the Law of the People's Republic of China on Wholly Foreign-owned Enterprises (the “Decision”), which provides record-filing in lieu of administrative approval for the establishments and alterations of foreign invested enterprises (the “FIEs”) not subject to special administrative measures. On October 8, 2016, the MOFCOM issued the Interim Measures for Record-filing for the Establishment and Alteration of Foreign-invested Enterprises (the “Interim Measure”), and the MOFCOM and the NDRC jointly issued a statement (the “Joint Statement”), clarifying that the special administrative measures in this case are implemented by referencing the Catalogue of Industries for Guiding Foreign Investment Industries (amended in 2017) (the “Catalogue”). Specifically, the special administrative measures to be implemented are the restricted and prohibited industry categories as well as encouraged industry categories having shareholding and executive management requirements prescribed in the Catalogue (the Special Administrative Measures for the Access of Foreign Investment specified in the Catalogue was replaced by the 2018 Negative List and further replaced by the 2019 Negative List, and the Catalogue of Industries for Encouraged Foreign Investment specified in the Catalogue was replaced by the Catalogue of Industries for Encouraged Foreign Investment (2019 Version). Since then, FIE establishments and alterations that are not subject to special administrative measures have been changed from a pre-approval system to a more standardized and convenient filing process. On June 30, 2018, the MOFCOM further revised the “Interim Measures”. The modification includes among others that where the conversion of a non-foreign investment enterprise into a foreign investment enterprise due to merger and acquisition or merger by absorption falls under the filing scope stipulated in these Measures, the establishment filing information for foreign investment enterprise shall be submitted together online at the time when the enterprise completes change registration formalities with the administration for industry and commerce and the market supervision administrative authorities and upon obtaining the filing information forwarded by the administration for industry and commerce and the market supervision administrative authorities, the filing authorities shall start to process the filing and notify the investor(s) simultaneously.

China Liberal Beijing completed its registration as a whole foreign owned enterprise on February 1, 2019 and the Administrative Bureau for Industry and Commerce of the City of Beijing issued China Liberal Beijing the relevant business license on the same date.

PRC Regulation of Wholly Foreign-owned Enterprises

The abovementioned Company Law of the People's Republic of China provides that companies established in the PRC may take the form of company of limited liability or company limited by shares. Each company has the status of a legal person and owns its assets itself. Assets of a company may be used in full for the company's liability. The Company Law applies to foreign-invested companies unless relevant laws provide otherwise.

Under the Wholly Foreign-Owned Enterprise Law of the PRC promulgated in 1986 and last amended in 2016 and the Detailed Implementing Rules for the Wholly Foreign-Owned Enterprise Law of the PRC which was promulgated in 1990 and was last amended on February 19, 2014, an application for establishing a wholly foreign-owned enterprise shall be subject to examination and approval by the MOFTEC, currently known as the MOFCOM, before the approval certificate is issued. Within 90 days of the date of receipt of an application, the examination and approval authority shall decide whether or not to grant the approval. After application for the establishment of a wholly foreign-owned enterprise is approved by the Examination and Approval Authority, the foreign investors shall, within 30 days of the date of receipt of the approval certificate, submit registration to, and collect the business license from the administrative authority for industry and commerce.

On September 3, 2016, the Decision of the Standing Committee of the National People's Congress on Revising Four Laws including the Law of the People's Republic of China on Wholly Foreign-owned Enterprises (the "Decision on Revision of Four Laws") was promulgated and became effective on October 1, 2016. The Interim Measures for the Administration of Establishment and Change Filings of Foreign-invested Enterprises (the "Filings Measures") was last amended on June 30, 2018. The Decision on Revision of Four Laws and the Filings Measures revised relevant administrative approval provisions of the Law of the People's Republic of China on Wholly Foreign-owned Enterprises, the Law of the People's Republic of China on Sino-foreign Equity Joint Ventures, the Law of the People's Republic of China on Sino-foreign Cooperative Joint Ventures and the Law of the People's Republic of China on the Protection of the Investments of Taiwan Compatriots and relevant formality regime for the incorporation and change of foreign-invested enterprises, whereby if the incorporation or change of foreign-invested enterprises and enterprises funded by Taiwan compatriots does not involve special access administrative measures prescribed by the PRC government, the examination and approval process is now being replaced by the recording-filing administration process.

The 2019 Law of Foreign Investment was adopted by the second meeting of the 13th National People's Congress on March 15, 2019, which will be effective on January 1, 2020. It will replace the trio of existing laws regulating foreign investment in China, including, among others, the abovementioned Law of the People's Republic of China on Wholly Foreign-owned Enterprises. The 2019 Law of Foreign Investment stipulates that the PRC implements a system of pre-establishment national treatment plus negative list for the administration of foreign investment. Foreign investors are not allowed to invest in fields or sectors prohibited in the market access negative list for foreign investment. Foreign investors that intend to invest in the fields subject to access restrictions stipulated in market access negative list for foreign investment shall satisfy the conditions stipulated in such negative list. The PRC policies supporting enterprise development are equally applicable to foreign-invested enterprises. The PRC does not impose expropriation on foreign investment. Under special circumstances, if it requires imposing expropriation on foreign investment due to the need of public interest, expropriation shall be imposed according to legal procedures, and the foreign-invested enterprises concerned shall receive fair and reasonable compensation. Foreign-invested enterprises can raise funds through public issuance of stocks, corporate bonds and other securities in accordance with the law. Overall, the 2019 Law of Foreign Investment establishes the clear principle of applying national treatment to FIEs except those engaged in industries on the 2019 Negative List. Since our current and planned business is not on the 2019 Negative List, to the best of our knowledge, we do not anticipate the new law will create any material adverse effect to our Company's business.

PRC Regulation of Intellectual Property Rights

The State Council and the NCAC have promulgated various rules and regulations and rules relating to protection of software in China. Under these rules and regulations, software owners, licensees and transferees may register their rights in software with Copy Protection Center of China or its local branches and obtain software copyright registration certificates. Although such registration is not mandatory under PRC law, software owners, licensees and transferees are encouraged to go through the registration process and registered software rights may be entitled to better protections.

The PRC Trademark Law which became effective on March 1, 1983, was revised in 2001, 2013 respectively and took effect on May 1, 2014 (which was further amended on April 23, 2019 and will be effective on November 1, 2019) with its implementation rules adopted in 2002 and revised in 2014, protects registered trademarks. The Trademark Office of the SAMR handles trademark registrations and grants a protection term of ten years to registered trademarks.

Regulations on Foreign Exchange

Regulations on Loans to and Direct Investment in the PRC Entities by Offshore Holding Companies

According to the Implementation Rules for the Provisional Regulations on Statistics and Supervision of Foreign Debt promulgated by SAFE on September 24, 1997 and the Interim Provisions on the Management of Foreign Debts promulgated by SAFE, the NDRC and the MOF that became effective from March 1, 2003, loans by foreign companies to their subsidiaries in China, which accordingly are foreign-invested enterprises, are considered foreign debts. Pursuant to the Measures for the Administration of Foreign Debt Registration issued by SAFE on April 28, 2013 and the Notice on Matters concerning the Macro-Prudential Administration of Full-Covered Cross-Border Financing issued by the People's Bank of China on January 11, 2017, the total amount of accumulated foreign debt borrowed by a foreign-invested enterprise is subject to an upper limit calculated based on a statutory formula, and the foreign-invested enterprise is required to file with SAFE after entering into relevant foreign debt contract and within at least three business days before drawing any money from the foreign debts.

According to applicable PRC regulations on foreign-invested enterprises, if a foreign holding company makes capital contributions to its PRC Subsidiary, which are considered foreign-invested enterprises, the PRC Subsidiary must file with the MOFCOM or its local counterpart in connection with the increase of its registered capital. The PRC Subsidiary may not procure loans which exceed the difference between its total investment amount and registered capital, or twice of the amount of the PRC Subsidiary's net assets, whichever is larger.

Currently, China Liberal Beijing does not owe any outstanding debts to any of its offshore parent companies. For any capital contributions contributed to China Liberal Beijing by its offshore parent companies, China Liberal Beijing has obtained appropriate approval or filed with the appropriate authorities, as the case may be.

Regulations Relating to Employment and Social Insurance

Pursuant to the PRC Labor Law effective as of January 1, 1995 (as amended on December 29, 2018), and the PRC Labor Contract Law effective as of January 1, 2008 (as amended on December 28, 2012), a written labor contract shall be executed by employer and an employee when the employment relationship is established, and an employer is under an obligation to sign an unlimited-term labor contract with any employee who has worked for the employer for ten consecutive years. Further, if an employee requests or agrees to renew a fixed-term labor contract that has already been entered into twice consecutively, the resulting contract must have an unlimited term, with certain exceptions. All employers are required to establish a system for labor safety and sanitation, strictly abide by state rules and standards and provide employees with appropriate workplace safety training. Moreover, all PRC enterprises are generally required to implement a standard working time system of eight hours a day and forty hours a week, and if the implementation of such standard working time system is not appropriate due to the nature of the job or the characteristics of business operation, the enterprise may implement a flexible working time system or comprehensive working time system after obtaining approvals from the relevant authorities.

Pursuant to the Social Insurance Law of China effective from December 29, 2018, and the Regulations on the Administration of Housing Accumulation Funds effective as of April 3, 1999 (as amended on March 24, 2002 and further amended on March 24, 2019), employers in China shall pay contributions to the social insurance plan and the housing fund plan for their employees, and such contribution amount payable shall be calculated based on the employee actual salary in accordance with the relevant regulations.

As of December 31, 2018, China Liberal Beijing has complied with all these regulations.

MANAGEMENT

Set forth below is information as of the date of this prospectus concerning our directors, executive officers and other key employees.

| Name | Age | Position(s) |
|------------------|-----|---|
| Jianxin Zhang | 49 | Chairman of the Board and Chief Executive Officer |
| Wenhui Zhuang | 33 | Chief Financial Officer |
| Nan Hu* | 38 | Director Nominee |
| David Sherman* | 71 | Independent Director Nominee |
| Ngo Yin Tsang* | 45 | Independent Director Nominee |
| Joseph Levinson* | 43 | Independent Director Nominee |

* This individual has indicated his consent to occupy such position upon closing of this offering.

The following is a brief biography of each of our executive officers and directors:

Mr. Jianxin Zhang has been our Company's Chief Executive Officer and the Chairman of the Board since April 2019 and a director and the standing deputy general manager of China Liberal Beijing since January 2015. From January 2013 to December 2014, Mr. Zhang served as a partner and attorney at Beijing H&J Law Firm. From February 2000 to December 2012, Mr. Zhang served as a partner at Beijing Mingtai Law Firm. From September 1995 to January 2000, Mr. Zhang served as the director of the Research and Development Department of China Ocean Human Resources Co., Ltd. Mr. Zhang has over 20 years of management and operations experience of various industries. Mr. Zhang holds a master's degree in Civil and Commercial Law from Renmin University of China.

Mr. Wenhui Zhuang has been our Company's Chief Financial Officer since April 2019 and the Chief Finance Officer of China Liberal Beijing since March 2019. From December 2017 to February 2017, Mr. Zhuang served as a partner of Yingzhi (Xiamen) Management and Consulting Co., Ltd. From August 2016 to November 2017, Mr. Zhuang served as a project manager of Dingsheng (Xiamen) Investment Co., Ltd. From September 2010 to July 2016, Mr. Zhuang served as a project manager of Bangmeng Huijun Management Consulting (Xiamen) Co., Ltd. Mr. Zhuang holds a bachelor's degree in Accounting from Jimei University.

Mr. Nan Hu is a director nominee of our Company. Mr. Hu has been the Chief Technology Officer of China Liberal Beijing since January 2016. From July 2014 to December 2015, Mr. Hu served as the Chief Product Officer of Beijing Mishi Technology Co., Ltd., a commercial social media platform based on mobile device business cards. From May 2011 to June 2014, Mr. Hu was the co-founder and served as the Chief Technology Officer of Zhimo Network Technology (Beijing) Co., Ltd., an iPhone/Android system platform applications development company, providing mobile internet product solutions to leading advertisement and marketing company hdtMEDIA and Weiwang Tonglian Co., Ltd. From April 2008 to October 2010, Mr. Hu served as a research and development engineer and project manager of SA Penbase in France, a company that first developed mobile application platform online, providing mobile terminal data management products. Mr. Hu holds a bachelor's degree and a master's degree in Computer Science from Université Montpellier II.

Mr. H. David Sherman is an independent director nominee of the Company. Since July 1985, Mr. Sherman has been a full time financial management and accounting professor at Northeastern University. Since July 2019, he has been a board member and treasurer of D-Tree International, a non-profit that develops electronic clinical protocols for healthcare workers. From February 2011 to March 2016, he served as a board member and the chair of the audit committee for Kingold Jewelry Inc., a public company listed on NASDAQ that manufactures gold jewelry. From February 2012 to November 2014, Mr. Sherman was a board member, chairman of the audit committee, and chairman of the compensation committee of AgFeed Industries, Inc., a formerly NASDAQ company that deals with hog production in US and China. Mr. Sherman has over 40 years of experience in accounting, auditing, financial management, business management, and corporate governance. Mr. Sherman holds a bachelor's degree in Economics from Brandeis University, a master's of business administration from the Harvard Graduate School of Business Administration, and a doctorate in business administration from the Harvard Graduate School of Business Administration. He is a member of the American Institute of Certified Public Accountant.

Ms. Ngo Yin Tsang is an independent director nominee of the Company. Since April 2014, Ms. Tsang has been the executive director of Good Talent Limited, a Hong Kong-based staffing and recruiting company. Since December 2016, Ms. Tsang has been the independent non-executive director of LKS Holding Group Limited, a public company listed on the Hong Kong Stock Exchange engaging in interior renovation for residential, industrial and commercial properties in Hong Kong. Since June 2017, Ms. Tsang has been the company secretary with Zhuoxin International Holdings Limited, a public company listed on the Hong Kong Stock Exchange engaging in the trading of electronic hardware components as well as property development and investment. Ms. Tsang has over 18 years' experience in auditing, accounting, corporate governance monitoring and financial management. Ms. Tsang holds a bachelor's degree in Business Administration from Simon Fraser University, a bachelor's degree in Law from Tsinghua University, and a master's degree in Law from the University of Wolverhampton. She is a member of the American Institute of Certified Public Accountants.

Mr. Joseph Levinson is an independent director nominee of the Company. From December 2015 to June 2019, Mr. Levinson served as a director of Takung Art Co, Inc, an NYSE American-listed online art trading platform group. From January 2012 to June 2015, he was a director of China Xingbang Industry Group Inc., a U.S. public company providing e-commerce related services and marketing consultancy services. He has also worked for firms such as KPMG and Deloitte & Touche early in his career. Mr. Levinson has over 20 years of experience in managing cross-border issues pertaining to U.S.-listed foreign companies, as well as experience in accounting and banking management. Mr. Levinson holds a bachelor's degree from the University at Buffalo with a double major in finance and accounting, graduating summa cum laude. He has held a United States Certified Public Accountant license for more than 20 years.

Family Relationships

There are no family relationships among the directors and executive officers of the Company.

Involvement in Certain Legal Proceedings

To the best of our knowledge, none of our directors or executive officers has, during the past ten years, been involved in any legal proceedings described in subparagraph (f) of Item 401 of Regulation S-K.

Board of Directors

Our board of directors will consist of five directors upon the closing of this offering.

Duties of Directors

Under Cayman Islands law, all of our Directors owe fiduciary duties to the Company, including a duty of loyalty, a duty to act honestly and a duty to act in what they consider in good faith to be in our best interests. Our Directors must also exercise their powers only for a proper purpose. Our Directors also have a duty to exercise the skill they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our Directors must ensure compliance with our memorandum and articles of association, as amended from time to time. The Company has the right to seek damages if a duty owed by any of our directors is breached. In limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached.

Terms of Directors and Executive Officers

Each of our directors holds office until a successor has been duly elected and qualified unless the director was appointed by the board of directors, in which case such director holds office until the next following annual meeting of shareholders at which time such director is eligible for reelection. All of our executive officers are appointed by and serve at the discretion of our board of directors.

Qualification

There is currently no shareholding qualification for directors.

Insider Participation Concerning Executive Compensation

The sole director of the Registrant, Jianxin Zhang, was making all determinations regarding executive officer compensation from the inception of the Company up until the time when the three independent directors were installed.

Committees of the Board of Directors

We have established three committees under the board of directors: an audit committee, a compensation committee and a nominating and corporate governance committee. We have adopted a charter for each of the three committees. Each committee's members and functions are described below.

Audit Committee. Our audit committee consists of David Sherman, Ngo Yin Tsang and Joseph Levinson. David Sherman is the chairman of our audit committee. We have determined that David Sherman, Ngo Yin Tsang and Joseph Levinson satisfy the "independence" requirements of Section 5605(a)(2) of the Nasdaq Listing Rules and Rule 10A-3 under the Securities Exchange Act. Our board also has determined that Ngo Yin Tsang qualifies as an audit committee financial expert within the meaning of the SEC rules or possesses financial sophistication within the meaning of the Nasdaq Listing Rules. The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

- appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;

- reviewing any audit problems or difficulties and management’s response with the independent auditors;
- discussing the annual audited financial statements with management and the independent auditors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;
- reviewing and approving all proposed related party transactions;
- meeting separately and periodically with management and the independent auditors; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Compensation Committee. Our compensation committee consists of David Sherman, Ngo Yin Tsang and Joseph Levinson. Joseph Levinson is the chairman of our compensation committee. We have determined that David Sherman, Ngo Yin Tsang and Joseph Levinson satisfy the “independence” requirements of Section 5605(a)(2) of the NASDAQ Listing Rules and Rule 10A-3 under the Securities Exchange Act. The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated. The compensation committee is responsible for, among other things:

- reviewing and recommending compensation packages for our most senior executive officers to the board;
- approving and overseeing compensation packages for our executives other than the most senior executive officers;
- reviewing and recommending to the board with respect to the compensation of our directors;
- reviewing periodically and approving any long-term incentive compensation or equity plans;
- selecting compensation consultants, legal counsel or other advisors after taking into consideration all factors relevant to that person’s independence from management; and
- programs or similar arrangements, annual bonuses, employee pension and welfare benefit plans.

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee currently consists of David Sherman, Ngo Yin Tsang and Joseph Levinson. Ngo Yin Tsang is the chairperson of our nominating and corporate governance committee. David Sherman, Ngo Yin Tsang and Joseph Levinson satisfy the “independence” requirements of Section 5605(a)(2) of the NASDAQ Listing Rules and Rule 10A-3 under the Securities Exchange Act. The nominating and corporate governance committee assists the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance committee is responsible for, among other things:

- identifying and recommending nominees for election or re-election to our board of directors or for appointment to fill any vacancy;
- reviewing annually with our board of directors its current composition in light of the characteristics of independence, age, skills, experience and availability of service to us;
- identifying and recommending to our board the directors to serve as members of committees;
- advising the board periodically with respect to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, and making recommendations to our board of directors on all matters of corporate governance and on any corrective action to be taken; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Corporate Governance

Our board of directors has adopted a code of business conduct and ethics, which is applicable to all of our directors, officers and employees. We will make our code of business conduct and ethics publicly available on our website prior to the initial closing of this offering.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth certain information with respect to compensation for the years ended December 31, 2018 and 2017, earned by or paid to our chief executive officer and principal executive officer, our principal financial officer, and our other most highly compensated executive officers whose total compensation exceeded US\$100,000 (the “named executive officers”).

| Name and Principal Position | Year | Salary (\$) | Bonus (\$) | Stock Awards (\$) | Option Awards (\$) | Non-Equity Incentive Plan Compensation | Deferred Compensation Earnings | Other | Total (\$) |
|---|------|-------------|------------|-------------------|--------------------|--|--------------------------------|-------|------------|
| Jianxin Zhang, CEO and Chairman of the Company and director and standing deputy general manager of China Liberal Beijing | 2018 | 22,269 | 0 | 0 | 0 | 0 | 0 | 0 | 22,269 |
| | 2017 | 22,106 | 0 | 0 | 0 | 0 | 0 | 0 | 22,106 |
| Wenhui Zhuang, CFO of the Company and China Liberal Beijing | 2018 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2017 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Agreements with Named Executive Officers

Each of our executive officers is employed for a specified time period, which will be renewed upon both parties’ agreement thirty days before the end of the current employment term. We may terminate the employment for cause, at any time, without notice or remuneration, for certain acts of the executive officer, including but not limited to the commitments of any serious or persistent breach or non-observance of the terms and conditions of their employment, conviction of a criminal offense, willful disobedience of a lawful and reasonable order, fraud or dishonesty, receiving bribes, or severe neglect of his or her duties. An executive officer may terminate his or her employment at any time with a one-month prior written notice. Each executive officer has agreed to hold, both during and after the employment agreement expires, in strict confidence and not to use or disclose to any person, corporation or other entity without written consent, any confidential information.

Our employment agreement with Jianxin Zhang, our CEO, provides for a term of one year beginning on April 1, 2019, with an annual salary of US\$50,000.

Our employment agreement with Wenhui Zhuang, our CFO, provides for a term of one year beginning on April 1, 2019, with an annual salary of US\$30,000.

Compensation of Directors

For the fiscal years ended December 31, 2018 and 2017, we did not make any compensation payments to our directors.

PRINCIPAL SHAREHOLDERS

The following table sets forth information with respect to the beneficial ownership, within the meaning of Rule 13d-3 under the Exchange Act, of our Ordinary Shares as of the date of this prospectus, and as adjusted to reflect the sale of the Ordinary Shares offered in this offering for

- each of our directors and executive officers who beneficially own our Ordinary Shares; and
- each person known to us to own beneficially more than 5.0% of our Ordinary Shares.

Beneficial ownership includes voting or investment power with respect to the securities. Except as indicated below, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all Ordinary Shares shown as beneficially owned by them. Percentage of beneficial ownership of each listed person prior to this offering is based on 5,000,000 Ordinary Shares outstanding as of the date of this prospectus (reflecting a 1,000-for-1 stock split of our Ordinary Shares effective on July 8, 2019 and an issuance of 3,999,000 Ordinary Shares on July 15, 2019).

The number and percentage of Ordinary Shares beneficially owned after the offering are based on 6,166,667 Ordinary Shares outstanding following the sale of 1,166,667 Ordinary Shares. Information with respect to beneficial ownership has been furnished by each director, officer or beneficial owner of 5% or more of our Ordinary Shares. Beneficial ownership is determined in accordance with the rules of the SEC and generally requires that such person have voting or investment power with respect to securities. In computing the number of Ordinary Shares beneficially owned by a person listed below and the percentage ownership of such person, Ordinary Shares underlying options, warrants or convertible securities held by each such person that are exercisable or convertible within 60 days of the date of this prospectus are deemed outstanding, but are not deemed outstanding for computing the percentage ownership of any other person. Except as otherwise indicated in the footnotes to this table, or as required by applicable community property laws, all persons listed have sole voting and investment power for all Ordinary Shares shown as beneficially owned by them. As of the date of the prospectus, we have 4 shareholders of record holding beneficial ownership of 5% or more, none of which are located in the United States.

| | Ordinary Shares Beneficially Owned Prior to this Offering | | Ordinary Shares Beneficially Owned After this Offering | | Percentage of Votes Held After this Offering |
|--|---|----------|--|----------|---|
| | Number | Percent | Number | Percent | Percent |
| Directors and Executive Officers: | | | | | |
| Jianxin Zhang | 0 | 0% | 0 | 0% | 0% |
| Wenhui Zhuang | 0 | 0% | 0 | 0% | 0% |
| Nan Hu | 0 | 0% | 0 | 0% | 0% |
| Ngo Yin Tsang | 0 | 0% | 0 | 0% | 0% |
| David Sherman | 0 | 0% | 0 | 0% | 0% |
| Joseph Levinson | 0 | 0% | 0 | 0% | 0% |
| 5% Shareholders: | | | | | |
| Ever Alpha Global Limited | 2,057,942 | 41.1588% | 2,057,942 | 33.3720% | 33.3720% |
| Man Woo Limited | 649,351 | 12.9870% | 649,351 | 10.5300% | 10.5300% |
| United Glory Global Limited | 514,486 | 10.2897% | 514,486 | 8.3430% | 8.3430% |
| Fulai International Limited | 399,601 | 7.9920% | 399,601 | 6.4800% | 6.4800% |

History of Share Capital

We were incorporated in the Cayman Islands as an exempted company with limited liability on February 25, 2019. On the date of our incorporation and on an actual basis without effecting the Reorganization, we issued 1,000 Ordinary Shares to certain founders.

In March 2019, China Liberal, Yi Xin BVI and Yi Xin BVI's sole shareholder (the "Yi Xin BVI Shareholder") entered into a Sale and Purchase Agreement, whereby the Yi Xin BVI Shareholder sold 100% of the equity interests of Yi Xin BVI to China Liberal in consideration of one Ordinary Share of China Liberal being issued to Ever Alpha Global Limited, a BVI company wholly owned by the Yi Xin BVI Shareholder. After this transaction, China Liberal became the wholly-owned parent of Yi Xin BVI.

On July 8, 2019, our shareholders approved a stock split of our outstanding Ordinary Shares at a ratio of 1,000-for-1, which will be effective immediately. All references to Ordinary Shares, options to purchase Ordinary Shares, share data, per share data, and related information have been retroactively adjusted, where applicable, in this prospectus to reflect the split of our Ordinary Shares as if it had occurred at the beginning of the earlier period presented.

On July 15, 2019, our sole director approved a stock issuance increasing our Ordinary Shares by 3,999,000 to 5,000,000, effective immediately. All references to Ordinary Shares, options to purchase Ordinary Shares, share data, per share data, and related information have been retroactively adjusted, where applicable, in this prospectus to reflect the split of our Ordinary Shares as if it had occurred at the beginning of the earlier period presented.

As of the date of this prospectus, our authorized share capital consists of \$50,000 divided into 50,000,000 Ordinary Shares, par value \$0.001 per share. As of the date of this prospectus, 5,000,000 shares were issued and outstanding. Holders of Ordinary Shares are entitled to one vote per share. We will authorize and issue Ordinary Shares in this offering.

As of the date of this prospectus, none of our outstanding Ordinary Shares are held by record holders in the United States.

We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

RELATED PARTY TRANSACTIONS

Upon completion of this offering, the ten BVI founding entities (the “Beneficial Owners”) will hold 46.1787% of the combined total of our outstanding Ordinary Shares. Following the completion of this offering, the Beneficial Owners will continue to have the power to act as a group in approving any action requiring a vote of the majority of our Ordinary Shares and to elect all of our directors.

Material Transactions with Related Parties

Share Purchase

Jianxin Zhang has been a director and the standing deputy general manager of China Liberal Beijing since January 2015. Boya Hong Kong has been China Liberal Beijing’s sole shareholder since China Liberal Beijing’s inception, its majority shareholder since January 2018, and its sole shareholder since February 2019. Each of Jianxin Zhang and Boya Hong Kong is a related party of China Liberal Beijing, the Company’s indirect operating subsidiary in the PRC.

In January 2018, five individual shareholders, including Jianxin Zhang invested in China Liberal Beijing for an 8.8228% equity interest in China Liberal Beijing, and Boya Hong Kong’s sole ownership of China Liberal Beijing was diluted to 91.1772%. On February 1, 2019, Boya Hong Kong entered into share transfer agreements with each of these five individuals and completed the acquisition of their 8.82% ownership in China Liberal Beijing, for a total price of RMB 2.95 million (approximately \$453,669). After this transaction, China Liberal Beijing became a 100% controlled subsidiary of Boya Hong Kong.

Reorganization

In March 2019, China Liberal, Yi Xin BVI and Yi Xin BVI’s sole shareholder (the “Yi Xin BVI Shareholder”) entered into a Sale and Purchase Agreement, whereby the Yi Xin BVI Shareholder sold 100% of the equity interests of Yi Xin BVI to China Liberal in consideration of one Ordinary Share of China Liberal being issued to Ever Alpha Global Limited, a BVI company wholly owned by the Yi Xin BVI Shareholder. After this transaction, China Liberal became the wholly-owned parent of Yi Xin BVI.

Amount due from a related party

On May 22, 2018, Xiamen Xinbaiyi Investment Group (“Xinbaiyi”), an entity related to the Company’s Board member and shareholder, Mr. Ruenjie Lin, entered into a loan agreement with the Company to borrow RMB2.5 million (approximately \$363,000) as working capital for 10 months (from June 5, 2018 to February 28, 2019). The loan is non-interest bearing. Xinbaiyi repaid RMB2 million within 2018. The remaining balance of \$72,700 as of December 31, 2018 has been fully collected as of February 2019.

Amount due to related parties

As of December 31, 2018, the balance due to related parties totaled \$22,591. They comprise advances from the Company’s principal shareholders and used for working capital during the Company’s normal course of business. These advances are non-interest bearing and due on demand.

In the fiscal year of 2017, five individual shareholders contributed an aggregate of RMB2.95 million (approximately \$453,669) into China Liberal Beijing for an 8.8228% ownership interest and such amount was used to increase the paid-in capital of China Liberal Beijing. In addition, we also borrowed \$14,956 from Ngai Ngai Lam, 100% owner of the current largest shareholder of China Liberal, as working capital.

Employment Agreements

See “Management — Employment Agreements”.

DESCRIPTION OF SHARE CAPITAL

The following description of our share capital and provisions of our memorandum and articles of association are summaries and do not purport to be complete. Reference is made to our amended memorandum and articles of association, which will become effective upon completion of this offering, a copy of which is filed as an exhibit to the registration statement of which this prospectus is a part (and which is referred to in this section as, respectively, the “memorandum” and the “articles”).

We were incorporated as an exempted company with limited liability under the Companies Law (2018 Revision) of the Cayman Islands, or the Cayman Companies Law, on February 25, 2019. A Cayman Islands exempted company:

- is a company that conducts its business mainly outside the Cayman Islands;
- is prohibited from trading in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the exempted company carried on outside the Cayman Islands (and for this purpose can effect and conclude contracts in the Cayman Islands and exercise in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands);
- does not have to hold an annual general meeting;
- does not have to make its register of members open to inspection by shareholders of that company;
- may obtain an undertaking against the imposition of any future taxation;
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as a limited duration company; and
- may register as a segregated portfolio company.

Ordinary Shares

All of our issued and outstanding Ordinary Shares are fully paid and non-assessable. Our Ordinary Shares are issued in registered form, and are issued when registered in our register of members. Each holder of our Ordinary Shares will be entitled to receive a certificate in respect of such Ordinary Shares. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their Ordinary Shares. We may not issue shares or warrants to bearer.

At the time of the Company’s incorporation on February 25, 2019, the Company had an authorized share capital of \$50,000, divided into 50,000 ordinary shares par value \$1.00 per share.

In March 2019, China Liberal, Yi Xin BVI and Yi Xin BVI’s sole shareholder (the “Yi Xin BVI Shareholder”) entered into a Sale and Purchase Agreement, whereby the Yi Xin BVI Shareholder sold 100% of the equity interests of Yi Xin BVI to China Liberal in consideration of one Ordinary Share of China Liberal being issued to Ever Alpha Global Limited, a BVI company wholly owned by the Yi Xin BVI Shareholder. After this transaction, China Liberal became the sole shareholder of Yi Xin BVI.

On July 8, 2019, our shareholders approved a stock split of our outstanding Ordinary Shares at a ratio of 1,000-for-1. On July 15, 2019, our sole director approved a stock issuance increasing our Ordinary Shares by 3,999,000 to 5,000,000, effective immediately.

Subject to the provisions of the Cayman Companies Law and our articles regarding redemption and purchase of the shares, the directors have general and unconditional authority to allot (with or without confirming rights of renunciation), grant options over or otherwise deal with any unissued shares to such persons, at such times and on such terms and conditions as they may decide. Such authority could be exercised by the directors to allot shares which carry rights and privileges that are preferential to the rights attaching to Ordinary Shares. No share may be issued at a discount except in accordance with the provisions of the Cayman Companies Law.

Transfer Agent and Registrar

The transfer agent and registrar for the Ordinary Shares is Transshare Corporation.

Dividends

Subject to the provisions of the Cayman Companies Law and any rights attaching to any class or classes of shares, the directors may declare dividends or distributions out of our funds which are lawfully available for that purpose.

Subject to the provisions of the Cayman Companies Law and any rights attaching to any class or classes of shares, our shareholders may, by ordinary resolution, declare dividends but no such dividend shall exceed the amount recommended by the directors.

Subject to the requirements of the Cayman Companies Law regarding the application of a company's share premium account and with the sanction of an ordinary resolution, dividends may also be declared and paid out of any share premium account. The directors when paying dividends to shareholders may make such payment either in cash or in specie.

Unless provided by the rights attached to a share, no dividend shall bear interest against us.

Voting Rights

Subject to any rights or restrictions as to voting attached to any shares, unless any share carries special voting rights, on a show of hands every shareholder who is present in person and every person representing a shareholder by proxy shall have one vote. On a poll, every shareholder who is present in person and every person representing a shareholder by proxy shall have one vote for each share of which he or the person represented by proxy is the holder. In addition, all shareholders holding shares of a particular class are entitled to vote at a meeting of the holders of that class of shares. Votes may be given either personally or by proxy.

Variation of Rights of Shares

Whenever our capital is divided into different classes of shares, the rights attaching to any class of share (unless otherwise provided by the terms of issue of the shares of that class) may be varied either with the consent in writing of the holders of not less than two-thirds of the issued shares of that class, or with the sanction of a resolution passed by a majority of not less than two-thirds of the holders of shares of the class present in person or by proxy at a separate general meeting of the holders of shares of that class.

Unless the terms on which a class of shares was issued state otherwise, the rights conferred on the shareholder holding shares of any class shall not be deemed to be varied by the creation or issue of further shares ranking *pari passu* with the existing shares of that class.

Alteration of share capital

Subject to the Cayman Companies Law, our shareholders may, by ordinary resolution:

- (a) increase our share capital by new shares of the amount fixed by that ordinary resolution and with the attached rights, priorities and privileges set out in that ordinary resolution such sum, to be divided into shares of such amount, as the ordinary resolution shall prescribe;
- (b) consolidate and divide all or any of our share capital into shares of larger amount than our existing shares;
- (c) convert all or any of our paid up shares into stock, and reconvert that stock into paid up shares of any denomination;
- (d) sub-divide our existing shares or any of them into shares of smaller amounts than that fixed by the memorandum; and
- (e) cancel shares which, at the date of the passing of that ordinary resolution, have not been taken or agreed to be taken by any person and diminish the amount of our share capital by the amount of the shares so cancelled.

Subject to the Cayman Companies Law and to any rights for the time being conferred on the shareholders holding a particular class of shares, our shareholders may, by special resolution, reduce its share capital in any way.

Calls on shares and forfeiture

Subject to the terms of allotment, the directors may make calls on the shareholders in respect of any monies unpaid on their shares including any premium and each shareholder shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made), pay to us the amount called on his shares. Shareholders registered as the joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share. If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or if no rate is fixed, at the rate of ten per cent per annum. The directors may, at their discretion, waive payment of the interest wholly or in part.

We have a first and paramount lien on every share

At any time the directors may declare any share to be wholly or partly exempt from the calls and forfeiture provisions of the articles.

We may sell, in such manner as the directors may determine, any share on which the sum in respect of which the lien exists is presently payable, if due notice that such sum is payable has been given (as prescribed by the articles) and, within fourteen days of the date on which the notice is deemed to be given under the articles, such notice has not been complied with.

Forfeiture or surrender of shares

If a shareholder fails to pay any call the directors may give to such shareholder not less than fourteen clear days' notice requiring payment and specifying the amount unpaid including any interest which may have accrued, any expenses which have been incurred by us due to that person's default and the place where payment is to be made. The notice shall also contain a warning that if the notice is not complied with, the shares in respect of which the call is made will be liable to be forfeited.

If such notice is not complied with, the directors may, before the payment required by the notice has been received, resolve that any share the subject of that notice be forfeited (which forfeiture shall include all dividends or other monies payable in respect of the forfeited share and not paid before such forfeiture).

Subject to the provisions of the Cayman Companies Law, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the directors think fit.

A person whose shares have been forfeited shall cease to be a shareholder in respect of the forfeited shares, and shall surrender to us for cancellation the certificate for the shares forfeited, notwithstanding such forfeit, remain liable to pay to us all monies which at the date of forfeiture were payable by him to us in respect of the shares, together with all expenses and interest from the date of forfeiture or surrender until payment.

A statutory declaration, made by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share.

Subject to the execution of an instrument of transfer, if necessary, the declaration shall constitute good title to the shares.

Share premium account

The directors shall establish a share premium account and shall carry the credit of such account from time to time to a sum equal to the amount or value of the premium paid on the issue of any share or capital contributed or such other amounts required by the Cayman Companies Law.

Redemption and purchase of own shares

Subject to the Cayman Companies Law and any rights for the time being conferred on the shareholders holding a particular class of shares, we may by our directors:

- (a) issue shares on terms that they are to be redeemed or are liable to be redeemed at our option or the shareholder on such terms and in such manner as the directors of the Company may, before the issue of shares, determine;
- (b) purchase its own shares (including any redeemable shares) in such manner and on such terms as our directors may determine and agree with the relevant shareholder; and
- (c) make a payment in respect of the redemption or purchase of its own shares in any manner authorized by the Cayman Companies Law, including out of capital.

We may make a payment in respect of the redemption or purchase of its own shares in any manner authorized by the Cayman Companies Law, including out of any combination of capital, our profits and the proceeds of a fresh issue of shares.

When making a payment in respect of the redemption or purchase of shares, the directors may make the payment in cash or in specie (or partly in one and partly in the other) if so authorized by the terms of the allotment of those shares or by the terms applying to those shares, or otherwise by agreement with the shareholder holding those shares.

Transfer of Shares

Subject to the restrictions contained in our articles, any shareholder may transfer all or any of his shares by an instrument of transfer in the usual or common form or in a form prescribed by any Designated Stock Exchange (as defined under our articles) or in any other form approved by our board of directors and may be under hand or, if the transferor or transferee is a Clearing House (as defined under our articles), by hand or by electronic machine imprinted signature or by such other manner of execution as the our board of directors may approve from time to time.

Our board of directors may, in its absolute discretion, decline to register any transfer of any Ordinary Share that has not been fully paid up or is subject to a company lien. Our board of directors may also decline to register any transfer of any Ordinary Share unless:

- (a) the instrument of transfer is lodged with us, accompanied by the certificate for the Ordinary Shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- (b) the instrument of transfer is in respect of only one class of Ordinary Shares;
- (c) the instrument of transfer is properly stamped, if required;
- (d) the Ordinary Share transferred is fully paid and free of any lien in favor of us; and
- (e) any fee related to the transfer has been paid to us.

If our directors refuse to register a transfer, they are required, within one month after the date on which the instrument of transfer was lodged, to send to the transferee notice of such refusal.

The registration of transfers of shares or of any class of shares may, after compliance with any notice requirement of any Designated Stock Exchange (as defined under our articles), be suspended and our register of members be closed at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as our board of directors may determine.

Inspection of Books and Records

Holders of our Ordinary Shares will have no general right under the Cayman Companies Law to inspect or obtain copies of our register of members or our corporate records (other than the register of mortgages).

General Meetings

An annual general meeting of our Company shall be held in each year (other than the year in which our articles were adopted) at such time as determined by our board of directors and we may, but shall not (unless required by the Cayman Companies Law) be obliged to, in each year hold any other general meeting.

The directors may convene general meetings whenever they think fit. General meetings shall also be convened on the written requisition of the shareholders holding at the date of deposit of the requisition not less than two-thirds, in par value of the issued shares which as at that date carry the right to vote at general meetings of our Company in accordance with the notice provisions in the articles, specifying the purpose of the meeting and signed by each of the shareholders making the requisition. If the directors do not convene such meeting for a date not later than twenty-one clear days' after the date of receipt of the written requisition, those shareholders who requested the meeting may convene the general meeting themselves within three months after the end of such period of twenty-one clear days.

At least ten (10) clear days' notice specifying the place, the day and the hour of each general meeting and the general nature of such business to be transacted thereat shall be given in the manner hereinafter provided, or in such other manner (if any) as may be prescribed by our ordinary resolution, to such persons as are entitled to vote or may otherwise be entitled under our articles to receive such notices from us.

The presence of one third of the shareholders, whether in person or represented by proxy, shall constitute a quorum at a general meeting.

If, within half an hour from the time appointed for the general meeting, or at any time during the meeting, a quorum is not present, the meeting, if convened upon the requisition of shareholders, shall be cancelled. In any other case it shall stand adjourned to the same time and place seven days or to such other time or place as is determined by the directors.

The chairman may, with the consent of a meeting at which a quorum is present, adjourn the meeting. When a meeting is adjourned for fourteen days or more, notice of the adjourned meeting shall be given in accordance with the articles.

At any general meeting a resolution put to the vote of the meeting shall be decided on a poll. A poll shall be taken in such manner as our chairman directs and he may appoint scrutineers (who need not be shareholders) and fix a place and time for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. In the case of equality of votes, the chairman shall be entitled to a casting vote in addition to any other vote he may have.

Directors

Our board of directors shall consist of such number of directors as a majority of the directors then in office may determine from time to time, and subject always to the rights (if any) of the holders of preferred shares (if any) to elect additional directors under specified circumstances.

Our directors shall be entitled to such remuneration as the board of directors may determine and, unless otherwise determined, the remuneration shall be deemed to accrue from day to day.

No shareholding qualification shall be required for our directors.

Unless removed or re-appointed, each director shall be appointed for a term expiring at the next-following annual general meeting, if one is held. At any annual general meeting held, our directors will be elected by an ordinary resolution of our shareholders. At each annual general meeting, each director so elected shall hold office for a one-year term and until the election of their respective successors in office or removed.

The office of a director shall be vacated if:

- (a) he becomes prohibited by law from being a director;
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (c) he dies, or is, in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director;
- (d) he resigned his office by notice to us;
- (e) he has for more than six months been absent without permission of the directors from meetings of directors held during that period and the Directors resolve that his office be vacated;

Powers and duties of directors

Subject to the provisions of the Cayman Companies Law, our memorandum and articles, our business shall be managed by the directors, who may exercise all our powers. However, to the extent allowed by the Cayman Companies Law, shareholders may by special resolution validate any prior or future act of the directors which would otherwise be in breach of their duties.

The directors may delegate any of their powers to any committee consisting of one or more directors; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the directors. Our board of directors may establish an audit committee, compensation committee, and nomination and corporate governance committee.

The board of directors may exercise all the powers of the Company to raise capital or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Cayman Companies Law, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

A director must disclose any material interest pursuant to our articles, and such director may not vote at any meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty. Our director shall be counted in the quorum present at a meeting when any such resolution is under consideration and such resolution may be passed by a majority of the disinterested directors present at the meeting even if such disinterested directors together constitute less than a quorum.

Capitalization of profits

The directors may resolve to capitalize:

- (a) any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- (b) appropriate the sum resolved to be capitalized to the shareholders who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such sum, and allot the shares or debentures credited as fully paid to those shareholders, or as they may direct, in those proportions, or partly in one way and partly in the other;
- (c) resolve that any shares so allotted to any shareholder in respect of a holding by him of any partly-paid shares rank for dividend, so long as such shares remain partly paid, only to the extent that such partly paid shares rank for dividend;
- (d) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable in fractions; and
- (e) authorize any person to enter on behalf of all the shareholders concerned into an agreement with the Company providing for the allotment of them respectively, credited as fully paid, of any shares or debentures to which they may be entitled upon such capitalization, any agreement made under such authority being binding on all such shareholders.

Liquidation Rights

If we are wound up, the shareholders may, subject to the articles and any other sanction required by the Cayman Companies Law, pass a special resolution allowing the liquidator to do either or both of the following:

- (a) to divide in specie among the shareholders the whole or any part of our assets and, for that purpose, to value any assets and to determine how the division shall be carried out as between the shareholders or different classes of shareholders; and
- (b) to vest the whole or any part of the assets in trustees for the benefit of shareholders and those liable to contribute to the winding up.

Register of Members

Under the Cayman Companies Law, we must keep a register of members and there should be entered therein:

- the names and addresses of our shareholders, a statement of the shares held by each shareholder, and of the amount paid or agreed to be considered as paid, on the shares of each shareholder;
- the date on which the name of any person was entered on the register as a shareholder; and
- the date on which any person ceased to be a shareholder.

Under Cayman Companies Law, the register of members of our company is prima facie evidence of the matters set out therein and a shareholder registered in the register of members is deemed as a matter of the Cayman Companies Law to have legal title to the shares as set against its name in the register of members. Upon the completion of this offering, the register of members will be immediately updated to record and give effect to the issuance of Ordinary Shares by the Company to the custodian or its nominee. Once our register of members has been updated, the shareholders recorded in the register of members will be deemed to have legal title to the shares set against their name.

If the name of any person is incorrectly entered in or omitted from our register of members, or if there is any default or unnecessary delay in entering on the register the fact of any person having ceased to be a shareholder of our company, the person or shareholder aggrieved (or any shareholder of our company or our company itself) may apply to the Grand Court of the Cayman Islands for an order that the register be rectified, and the Court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

Differences in Corporate Law

The Cayman Companies Law is derived, to a large extent, from the older Companies Acts of England and Wales but does not follow recent United Kingdom statutory enactments, and accordingly there are significant differences between the Cayman Companies Law and the current Companies Act of England. In addition, the Cayman Companies Law differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of certain significant differences between the provisions of the Cayman Companies Law applicable to us and the comparable laws applicable to companies incorporated in the State of Delaware in the United States.

Mergers and Similar Arrangements

The Cayman Companies Law provides for the mergers or consolidation of two or more companies in a single entity. The legislation makes a distinction between a “consolidation” and a “merger”. In a consolidation, a new entity is formed from the combination of each participating company, and the separate consolidating parties, as a consequence, cease to exist and are each stricken by the Registrar of Companies. In a merger, one company remains as the surviving party, having in effect absorbed the other merging parties that are then stricken and cease to exist.

Two or more Cayman-registered companies may merge or consolidate. Cayman-registered companies may also merge or consolidate with foreign companies provided that the laws of the foreign jurisdiction permit such merger or consolidation.

Under the new rules, a plan of merger or consolidation shall be authorized by each constituent company by way of (i) a special resolution of the members of each such constituent company; and (ii) such other authorization, if any, as may be specified in such constituent company’s memorandum and articles of association.

A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders of that Cayman subsidiary if a copy of the plan of merger is given to every member of that Cayman subsidiary to be merged unless that member agrees otherwise. For this purpose a subsidiary is a company of which at least 90% of the issued shares entitled to vote are owned by the parent company.

The consent of each holder of a fixed or floating security interest over a constituent company is required unless this requirement is waived by a court in the Cayman Islands.

Save in certain circumstances, a dissentient shareholder of a Cayman Islands constituent company is entitled to payment of the fair value of his or her shares upon dissenting to a merger or consolidation. The exercise of appraisal rights will preclude the exercise of any other save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

In addition, there are statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that the arrangement is approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and who must, in addition, represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- (a) the statutory provisions as to the required majority vote have been met;
- (b) the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- (c) the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- (d) the arrangement is not one that would more properly be sanctioned under some other provision of the Cayman Companies Law.

When a takeover offer is made and accepted by holders of 90% of the shares affected within four months the offeror may, within a two-month period commencing on the expiration of such four month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction is thus approved, or if a takeover offer is made and accepted, a dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits

In principle, we will normally be the proper plaintiff and as a general rule, a derivative action may not be brought by a minority shareholder. However, based on English law authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, there are exceptions to the foregoing principle, including when:

- (a) a company acts or proposes to act illegally or ultra vires;
- (b) the act complained of, although not ultra vires, could only be effected duly if authorized by more than a simple majority vote that has not been obtained; and
- (c) those who control the company are perpetrating a "fraud on the minority".

Class actions and derivative actions generally are available to shareholders under Delaware law for, among other things, breach of fiduciary duty, corporate waste and actions not taken in accordance with applicable law. In such actions, the court generally has discretion to permit the winning party to recover attorneys' fees incurred in connection with such action.

Indemnification of Directors and Executive Officers and Limitation of Liability

The Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against the consequences of committing a crime or against the indemnified person's own fraud or dishonesty.

This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation. In addition, we intend to enter into indemnification agreements with our directors and executive officers that will provide such persons with additional indemnification beyond that provided in our articles.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' Fiduciary Duties

Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he or she reasonably believes to be in the best interests of the corporation. He or she must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interests of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, directors of Cayman Islands companies owe fiduciary duties to their respective companies to, amongst other things, act in good faith in their dealings with or on behalf of the company and exercise their powers and fulfill the duties of their office honestly. Core duties are:

- a duty to act in good faith in what the directors bona fide consider to be the best interest of the company (and in this regard, it should be noted that the duty is owed to the company and not to associate companies, subsidiaries or holding companies);
- a duty not to personally profit from opportunities that arise from the office of director;
- a duty of trusteeship of the company's assets;
- a duty not to put himself in a position where the structures of a company conflict of his or her personal interest on his or her duty to a third party to avoid conflicts of interest; and

a duty to exercise powers for the purpose for which such powers were conferred.

Shareholder Proposals

Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. The Delaware General Corporation Law does not provide shareholders an express right to put any proposal before the annual meeting of shareholders, but in keeping with common law, Delaware corporations generally afford shareholders an opportunity to make proposals and nominations provided that they comply with the notice provisions in the certificate of incorporation or bylaws. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

The Cayman Companies Law does not provide shareholders any rights to bring business before a meeting or requisition a general meeting. However, these rights may be provided in the company's memorandum and articles of association.

Cumulative Voting

Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. As permitted under the Cayman Companies Law, our articles do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Under the Cayman Companies law, there is no cumulative voting for the election of directors unless so provided in the memorandum and articles of association.

Removal of Directors

Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Subject to the provisions of our articles, the office of a director may be terminated forthwith if (a) he is prohibited by the law of the Cayman Islands from acting as a director, (b) he is made bankrupt or makes an arrangement or composition with his creditors generally, (c) he resigns his office by notice to us, (d) he only held office as a director for a fixed term and such term expires, (e) in the opinion of a registered medical practitioner by whom he is being treated he becomes physically or mentally incapable of acting as a director, (f) he is given notice by the majority of the other directors (not being less than two in number) to vacate office (without prejudice to any claim for damages for breach of any agreement relating to the provision of the services of such director), (g) he is made subject to any law relating to mental health or incompetence, whether by court order or otherwise, or (h) without the consent of the other directors, he is absent from meetings of directors for continuous period of six months.

Under the Cayman Companies law, removal of directors is governed by the terms of the memorandum and articles of association.

Transactions with Interested Shareholders

The Delaware General Corporation Law contains a business combination statute applicable to Delaware public corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation or bylaws that is approved by its shareholders, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting stock or who or which is an affiliate or associate of the corporation and owned 15% or more of the corporation's outstanding voting stock within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

The Cayman Companies Law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although the Cayman Companies Law does not regulate transactions between a company and its significant shareholders, under Cayman Islands law such transactions must be entered into bona fide in the best interests of the company and for a proper corporate purpose and not with the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding Up

Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board of directors.

Under the Cayman Companies Law, our company may be wound up by a special resolution of our shareholders, or if the winding up is initiated by our board of directors, by either a special resolution of our members or, if our company is unable to pay its debts as they fall due, by an ordinary resolution of our members. In addition, a company may be wound up by an order of the courts of the Cayman Islands. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Variation of Rights of Shares

Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise.

Under our articles, if our share capital is divided into more than one class of shares, the rights attaching to any class of share (unless otherwise provided by the terms of issue of the shares of that class) may be varied either with the consent in writing of the holders of not less than two-thirds of the issued shares of that class, or with the sanction of a resolution passed by a majority of not less than two-thirds of the holders of shares of the class present in person or by proxy at a separate general meeting of the holders of shares of that class.

Amendment of Governing Documents

Under the Delaware General Corporation Law, a corporation's certificate of incorporation may be amended only if adopted and declared advisable by the board of directors and approved by a majority of the outstanding shares entitled to vote, and the bylaws may be amended with the approval of a majority of the outstanding shares entitled to vote and may, if so provided in the certificate of incorporation, also be amended by the board of directors. Under the Cayman Companies Law, our articles may only be amended by special resolution of our shareholders.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has not been a public market for our Ordinary Shares. We are in the process of applying to list our Ordinary Shares on the Nasdaq Capital Market under the symbol CLEU. Future sales of substantial amounts of shares of our Ordinary Shares in the public market after our initial public offering, or the possibility of these sales occurring, could cause the prevailing market price for our Ordinary Shares to fall or impair our ability to raise equity capital in the future. Upon completion of this offering, we will have outstanding Ordinary Shares representing approximately 53.82% of our Ordinary Shares in issue assuming no exercise of the underwriter's over-allotment option. This number excludes any issuance of aggregate of additional Ordinary Shares that could occur in connection with the conversion or exercise of our outstanding convertible promissory notes, options and warrants.

All of the Ordinary Shares sold in this offering will be freely transferable by persons other than our affiliates without restriction or further registration under the Securities Act.

Rule 144

All of our Ordinary Shares outstanding prior to this offering are "restricted securities" as that term is defined in Rule 144 under the Securities Act and may be sold publicly in the United States only if they are subject to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirement such as those provided by Rule 144 and Rule 701 promulgated under the Securities Act.

In general, under Rule 144 as currently in effect, beginning 90 days after the date of this prospectus, a person who is not deemed to have been our affiliate at any time during the three months preceding a sale and who has beneficially owned restricted securities within the meaning of Rule 144 for more than six months would be entitled to sell an unlimited number of those shares, subject only to the availability of current public information about us. A non-affiliate who has beneficially owned restricted securities for at least one year from the later of the date these shares were acquired from us or from our affiliate would be entitled to freely sell those shares.

A person who is deemed to be an affiliate of ours and who has beneficially owned "restricted securities" for at least six months would be entitled to sell, within any three-month period, a number of shares that is not more than the greater of:

- 1% of the number of Ordinary Shares then outstanding, in the form of Ordinary Shares or otherwise, which will equal approximately shares immediately after this offering; or
- the average weekly trading volume of the Ordinary Shares on the Nasdaq Capital Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us. In addition, in each case, these shares would remain subject to lock-up arrangements and would only become eligible for sale when the lock-up period expires.

TAXATION

People's Republic of China Enterprise Taxation

Unless otherwise noted in the following discussion, this section is the opinion of Tian Yuan Law Firm, our PRC counsel, insofar as it relates to legal conclusions with respect to matters of People's Republic of China Enterprise Taxation below.

The following brief description of Chinese enterprise laws is designed to highlight the enterprise-level taxation on our earnings, which will affect the amount of dividends, if any, we are ultimately able to pay to our shareholders. See "*Dividend Policy*."

Enterprise Income Tax

According to the *Enterprise Income Tax Law of the People's Republic of China*, or the EIT Law, which was promulgated by the Standing Committee of the National People's Congress on March 16, 2007, and became effective on January 1, 2008, and then amended on February 24, 2017, and the *Implementation Rules of the EIT Law*, or the Implementation Rules, which were promulgated by the State Council on December 6, 2007, and became effective on January 1, 2008, enterprises are divided into resident enterprises and non-resident enterprises. Resident enterprises pay enterprise income tax on their incomes obtained in and outside the PRC at the rate of 25%. Non-resident enterprises setting up institutions in the PRC pay enterprise income tax on the incomes obtained by such institutions in and outside the PRC at the rate of 25%. Non-resident enterprises with no institutions in the PRC, and non-resident enterprises with income having no substantial connection with their institutions in the PRC, pay enterprise income tax on their income obtained in the PRC at a reduced rate of 10%.

We are a holding company incorporated in the Cayman Islands and we gain substantial income by way of dividends paid to us from our PRC Subsidiary. The EIT Law and its implementation rules provide that China-sourced income of foreign enterprises, such as dividends paid by a PRC Subsidiary to its equity holders that are non-resident enterprises, will normally be subject to PRC withholding tax at a rate of 10%, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with China that provides for a preferential tax rate or a tax exemption.

Under the EIT Law, an enterprise established outside of China with a "de facto management body" within China is considered a "resident enterprise," which means that it is treated in a manner similar to a Chinese enterprise for enterprise income tax purposes. Although the implementation rules of the EIT Law define "de facto management body" as a managing body that actually, comprehensively manage and control the production and operation, staff, accounting, property and other aspects of an enterprise, the only official guidance for this definition currently available is set forth in SAT Notice 82, which provides guidance on the determination of the tax residence status of a Chinese-controlled offshore incorporated enterprise, defined as an enterprise that is incorporated under the laws of a foreign country or territory and that has a PRC enterprise or enterprise group as its primary controlling shareholder. Although China Liberal does not have a PRC enterprise or enterprise group as our primary controlling shareholder and is therefore not a Chinese-controlled offshore incorporated enterprise within the meaning of SAT Notice 82, in the absence of guidance specifically applicable to us, we have applied the guidance set forth in SAT Notice 82 to evaluate the tax residence status of China Liberal and its subsidiaries organized outside the PRC.

According to SAT Notice 82, a Chinese-controlled offshore incorporated enterprise will be regarded as a PRC tax resident by virtue of having a "de facto management body" in China and will be subject to PRC enterprise income tax on its worldwide income only if all of the following criteria are met: (i) the places where senior management and senior management departments that are responsible for daily production, operation and management of the enterprise perform their duties are mainly located within the territory of China; (ii) financial decisions (such as money borrowing, lending, financing and financial risk management) and personnel decisions (such as appointment, dismissal and salary and wages) are decided or need to be decided by organizations or persons located within the territory of China; (iii) main property, accounting books, corporate seal, the board of directors and files of the minutes of shareholders' meetings of the enterprise are located or preserved within the territory of China; and (iv) one half (or more) of the directors or senior management staff having the right to vote habitually reside within the territory of China.

We believe that we do not meet some of the conditions outlined in the immediately preceding paragraph. For example, as a holding company, the key assets and records of China Liberal Education Holdings Limited, including the resolutions and meeting minutes of our board of directors and the resolutions and meeting minutes of our shareholders, are located and maintained outside the PRC. In addition, we are not aware of any offshore holding companies with a corporate structure similar to ours that has been deemed a PRC "resident enterprise" by the PRC tax authorities. Accordingly, we believe that China Liberal and its offshore subsidiaries should not be treated as a "resident enterprise" for PRC tax purposes if the criteria for "de facto management body" as set forth in SAT Notice 82 were deemed applicable to us. However, as the tax residency status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body" as applicable to our offshore entities, we will continue to monitor our tax status.

The implementation rules of the EIT Law provide that, (i) if the enterprise that distributes dividends is domiciled in the PRC or (ii) if gains are realized from transferring equity interests of enterprises domiciled in the PRC, then such dividends or gains are treated as China-sourced income. It is not clear how “domicile” may be interpreted under the EIT Law, and it may be interpreted as the jurisdiction where the enterprise is a tax resident. Therefore, if we are considered as a PRC tax resident enterprise for PRC tax purposes, any dividends we pay to our overseas shareholders which are non-resident enterprises as well as gains realized by such shareholders from the transfer of our shares may be regarded as China-sourced income and as a result become subject to PRC withholding tax at a rate of up to 10%. We are unable to provide a “will” opinion because Tian Yuan Law Firm, our PRC counsel, believes that it is more likely than not that the Company and its offshore subsidiaries would be treated as a non-resident enterprise for PRC tax purposes because they do not meet some of the conditions out lined in SAT Notice. In addition, we are not aware of any offshore holding companies with a corporate structure similar to ours that has been deemed a PRC “resident enterprise” by the PRC tax authorities as of the date of the prospectus. Therefore we believe that it is possible but highly unlikely that the income received by our overseas shareholders will be regarded as China-sourced income. See “*Risk Factors—Risks Related to Doing Business in the PRC— If we are classified as a PRC resident enterprise for PRC enterprise income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders.*”

Generally, resident enterprises in the PRC are subject to the enterprise income tax at the rate of 25%. Our company is granted preferential treatment to “high and new technology enterprises strongly supported by the state,” or HNTes, to enjoy a preferential enterprise tax rate of 15%. Therefore, China Liberal Beijing pays an EIT approximately US\$167,813 and US\$158,109 in the years ended December 31, 2018 and 2017. The EIT is calculated based on the entity’s global income as determined under PRC tax laws and accounting standards. If the PRC tax authorities determine that China Liberal Beijing is a PRC resident enterprise for enterprise income tax purposes, we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises. In addition, non-resident enterprise shareholders may be subject to a 10% PRC withholding tax on gains realized on the sale or other disposition of our Ordinary Shares, if such income is treated as sourced from within the PRC. It is unclear whether our non-PRC individual shareholders would be subject to any PRC tax on dividends or gains obtained by such non-PRC individual shareholders in the event we are determined to be a PRC resident enterprise. If any PRC tax were to apply to dividends or gains realized by non-PRC individuals, it would generally apply at a rate of 20% unless a reduced rate is available under an applicable tax treaty. However, it is also unclear whether non-PRC shareholders of the Company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that the Company is treated as a PRC resident enterprise. There is no guidance from the PRC government to indicate whether or not any tax treaties between the PRC and other countries would apply in circumstances where a non-PRC company was deemed to be a PRC tax resident, and thus there is no basis for expecting how tax treaty between the PRC and other countries may impact non-resident enterprises.

Value-added Tax

Pursuant to the *Provisional Regulations on Value-Added Tax of the PRC*, or the VAT Regulations, which were promulgated by the State Council on December 13, 1993, and took effect on January 1, 1994, and were amended on November 10, 2008, February 6, 2016, and November 19, 2017, respectively, and the *Rules for the Implementation of the Provisional Regulations on Value Added Tax of the PRC*, which were promulgated by the MOF, on December 25, 1993, and were amended on December 15, 2008, and October 28, 2011, respectively, entities and individuals that sell goods or labor services of processing, repair or replacement, sell services, intangible assets, or immovables, or import goods within the territory of the People’s Republic of China are taxpayers of value-added tax. The VAT rate is 17% for taxpayers selling goods, labor services, or tangible movable property leasing services or importing goods, except otherwise specified; 11% for taxpayers selling goods, labor services, or tangible movable property leasing services or importing goods, except otherwise specified; 6% for taxpayers selling services or intangible assets.

According to *Provisions in the Notice on Adjusting the Value added Tax Rates* (Cai Shui [2018] No. 32), or the Notice, issued by the SAT and the MOF, where taxpayers make VAT taxable sales or import goods, the applicable tax rates shall be adjusted from 17% to 16% and from 11% to 10%, respectively. The Notice took effect on May 1, 2018, and the adjusted VAT rates took effect at the same time.

The *Notice of the Ministry of Finance and the State Administration of Taxation on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner* on March 23, 2016, which took effect on May 1, 2016. Pursuant to such circular, the Value Added Tax Pilot Program has been applicable nationwide since May 1, 2016.

According to the VAT Regulations and the related rules, as of the date of this prospectus, as taxpayers selling services, China Liberal Beijing is generally subject to 6% VAT rate.

Dividend Withholding Tax

The Enterprise Income Tax Law provides that since January 1, 2008, an income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC.

Pursuant to an *Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes*, or the Double Tax Avoidance Arrangement, and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5%. However, based on the *Circular on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties*, or the SAT Circular 81, issued on February 20, 2009, by the SAT, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. According to the *Circular on Several Questions regarding the “Beneficial Owner” in Tax Treaties*, which was issued on February 3, 2018, by the SAT and took effect on April 1, 2018, when determining the applicant’s status of the “beneficial owner” regarding tax treatments in connection with dividends, interests or royalties in the tax treaties, several factors, including without limitation, whether the applicant is obligated to pay more than 50% of his or her income in 12 months to residents in third country or region, whether the business operated by the applicant constitutes the actual business activities, and whether the counterparty country or region to the tax treaties does not levy any tax or grant tax exemption on relevant incomes or levy tax at an extremely low rate, will be taken into account, and it will be analyzed according to the actual circumstances of the specific cases. This circular further provides that applicants who intend to prove his or her status of the “beneficial owner” shall submit the relevant documents to the relevant tax bureau according to the *Announcement on Issuing the Measures for the Administration of Non-Resident Taxpayers’ Enjoyment of the Treatment under Tax Agreements*.

As of the date of this prospectus, when considered as a non-PRC resident investor, which is much more likely to happen than not, Boya Hong Kong shall be subject to the dividend withholding tax at the rate of 10%. (See “Risk Factors” and “Taxation.”) Upon identified as the Hong Kong resident enterprise stipulated by the Double Tax Avoidance Arrangement and other applicable laws, the withholding tax may be reduced to 5%.

Hong Kong Taxation

Entities incorporated in Hong Kong are subject to profits tax in Hong Kong at the rate of 16.5% for each of the years ended June 30, 2018 and 2017.

British Virgin Islands Taxation

The British Virgin Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. No stamp duty is payable in the British Virgin Islands on the issue of shares by, or any transfers of shares of, British Virgin Islands companies (except those which hold interests in land in the British Virgin Islands). The British Virgin Islands is not party to any double tax treaties that are applicable to any payments made to or by the Company.

Payments of dividends and capital in respect of our Ordinary Shares will not be subject to taxation in the British Virgin Islands and no withholding will be required on the payment of a dividend or capital to any holder of our Ordinary Shares, as the case may be, nor will gains derived from the disposal of our Ordinary Shares be subject to British Virgin Islands income or corporation tax.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or, after execution, brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by the Company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

United States Federal Income Taxation

WE URGE POTENTIAL PURCHASERS OF OUR ORDINARY SHARES TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF OUR ORDINARY SHARES.

The following does not address the tax consequences to any particular investor or to persons in special tax situations such as:

- banks;
- financial institutions;
- insurance companies;
- regulated investment companies;
- advertising investment trusts;
- broker-dealers;
- persons that elect to mark their securities to market;
- U.S. expatriates or former long-term residents of the U.S.;
- governments or agencies or instrumentalities thereof;
- tax-exempt entities;
- persons liable for alternative minimum tax;
- persons holding our Ordinary Shares as part of a straddle, hedging, conversion or integrated transaction;
- persons that actually or constructively own 10% or more of our voting power or value (including by reason of owning our Ordinary Shares);
- persons who acquired our Ordinary Shares pursuant to the exercise of any employee share option or otherwise as compensation;
- persons holding our Ordinary Shares through partnerships or other pass-through entities;
- beneficiaries of a Trust holding our Ordinary Shares; or
- persons holding our Ordinary Shares through a Trust.

The discussion set forth below is addressed only to U.S. Holders that purchase Ordinary Shares in this offering. Prospective purchasers are urged to consult their own tax advisors about the application of the U.S. federal income tax rules to their particular circumstances as well as the state, local, foreign and other tax consequences to them of the purchase, ownership and disposition of our Ordinary Shares.

Material Tax Consequences Applicable to U.S. Holders of Our Ordinary Shares

The following sets forth the material U.S. federal income tax consequences related to the ownership and disposition of our Ordinary Shares. It is directed to U.S. Holders (as defined below) of our Ordinary Shares and is based upon laws and relevant interpretations thereof in effect as of the date of this prospectus, all of which are subject to change. This description does not deal with all possible tax consequences relating to ownership and disposition of our Ordinary Shares or U.S. tax laws, other than the U.S. federal income tax laws, such as the tax consequences under non-U.S. tax laws, state, local and other tax laws.

The following brief description applies only to U.S. Holders (defined below) that hold Ordinary Shares as capital assets and that have the U.S. dollar as their functional currency. This brief description is based on the federal income tax laws of the United States in effect as of the date of this prospectus and on U.S. Treasury regulations in effect or, in some cases, proposed, as of the date of this prospectus, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.

The brief description below of the U.S. federal income tax consequences to “U.S. Holders” will apply to you if you are a beneficial owner of Ordinary Share and you are, for U.S. federal income tax purposes,

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

Taxation of Dividends and Other Distributions on our Ordinary Shares

Subject to the PFIC (defined below) rules discussed below, the gross amount of distributions made by us to you with respect to the Ordinary Shares (including the amount of any taxes withheld therefrom) will generally be includable in your gross income as dividend income on the date of receipt by you, but only to the extent that the distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). With respect to corporate U.S. Holders, the dividends will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from other U.S. corporations.

With respect to non-corporate U.S. Holders, including individual U.S. Holders, dividends will be taxed at the lower capital gains rate applicable to qualified dividend income, provided that (1) the Ordinary Shares are readily tradable on an established securities market in the United States, or we are eligible for the benefits of an approved qualifying income tax treaty with the United States that includes an exchange of information program, (2) we are not a PFIC (defined below) for either our taxable year in which the dividend is paid or the preceding taxable year, and (3) certain holding period requirements are met. Because there is no income tax treaty between the United States and the Cayman Islands, clause (1) above can be satisfied only if the Ordinary Shares are readily tradable on an established securities market in the United States. Under U.S. Internal Revenue Service authority, Ordinary Shares are considered for purpose of clause (1) above to be readily tradable on an established securities market in the United States if they are listed on the Nasdaq Capital Market. You are urged to consult your tax advisors regarding the availability of the lower rate for dividends paid with respect to our Ordinary Shares, including the effects of any change in law after the date of this prospectus.

Dividends will constitute foreign source income for foreign tax credit limitation purposes. If the dividends are taxed as qualified dividend income (as discussed above), the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will be limited to the gross amount of the dividend, multiplied by the reduced rate divided by the highest rate of tax normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by us with respect to our Ordinary Shares will constitute “passive category income” but could, in the case of certain U.S. Holders, constitute “general category income.”

To the extent that the amount of the distribution exceeds our current and accumulated earnings and profits (as determined under U.S. federal income tax principles), it will be treated first as a tax-free return of your tax basis in your Ordinary Shares, and to the extent the amount of the distribution exceeds your tax basis, the excess will be taxed as capital gain. We do not intend to calculate our earnings and profits under U.S. federal income tax principles. Therefore, a U.S. Holder should expect that a distribution will be treated as a dividend even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above.

Taxation of Dispositions of Ordinary Shares

Subject to the passive foreign investment company rules discussed below, you will recognize taxable gain or loss on any sale, exchange or other taxable disposition of a share equal to the difference between the amount realized (in U.S. dollars) for the share and your tax basis (in U.S. dollars) in the Ordinary Shares. The gain or loss will be capital gain or loss. If you are a non-corporate U.S. Holder, including an individual U.S. Holder, who has held the Ordinary Shares for more than one year, you will generally be eligible for reduced tax rates. The deductibility of capital losses is subject to limitations. Any such gain or loss that you recognize will generally be treated as United States source income or loss for foreign tax credit limitation purposes which will generally limit the availability of foreign tax credits.

Passive Foreign Investment Company (“PFIC”)

A non-U.S. corporation is considered a PFIC, as defined in Section 1297(a) of the US Internal Revenue Code, for any taxable year if either:

- at least 75% of its gross income for such taxable year is passive income; or
- at least 50% of the value of its assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce or are held for the production of passive income (the “asset test”).

Passive income generally includes dividends, interest, rents and royalties (other than rents or royalties derived from the active conduct of a trade or business) and gains from the disposition of passive assets. We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, at least 25% (by value) of the stock. In determining the value and composition of our assets for purposes of the PFIC asset test, (1) the cash we raise in this offering will generally be considered to be held for the production of passive income and (2) the value of our assets must be determined based on the market value of our Ordinary Shares from time to time, which could cause the value of our non-passive assets to be less than 50% of the value of all of our assets (including the cash raised in this offering) on any particular quarterly testing date for purposes of the asset test.

Based on our operations and the composition of our assets we do not expect to be treated as a PFIC under the current PFIC rules. However, we must make a separate determination each year as to whether we are a PFIC, and there can be no assurance with respect to our status as a PFIC for our current taxable year or any future taxable year. Depending on the amount of cash we raise in this offering, together with any other assets held for the production of passive income, it is possible that, for our current taxable year or for any subsequent taxable year, more than 50% of our assets may be assets held for the production of passive income. We will make this determination following the end of any particular tax year. In addition, because the value of our assets for purposes of the asset test will generally be determined based on the market price of our Ordinary Shares and because cash is generally considered to be an asset held for the production of passive income, our PFIC status will depend in large part on the market price of our Ordinary Shares and the amount of cash we raise in this offering. Accordingly, fluctuations in the market price of the Ordinary Shares may cause us to become a PFIC. In addition, the application of the PFIC rules is subject to uncertainty in several respects and the composition of our income and assets will be affected by how, and how quickly, we spend the cash we raise in this offering. We are under no obligation to take steps to reduce the risk of our being classified as a PFIC, and as stated above, the determination of the value of our assets will depend upon material facts (including the market price of our Ordinary Shares from time to time and the amount of cash we raise in this offering) that may not be within our control. If we are a PFIC for any year during which you hold Ordinary Shares, we will continue to be treated as a PFIC for all succeeding years during which you hold Ordinary Shares. However, if we cease to be a PFIC and you did not previously make a timely “mark-to-market” election as described below, you may avoid some of the adverse effects of the PFIC regime by making a “purging election” (as described below) with respect to the Ordinary Shares.

If we are a PFIC for your taxable year(s) during which you hold Ordinary Shares, you will be subject to special tax rules with respect to any “excess distribution” that you receive and any gain you realize from a sale or other disposition (including a pledge) of the Ordinary Shares, unless you make a “mark-to-market” election as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the Ordinary Shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over your holding period for the Ordinary Shares;
- the amount allocated to your current taxable year, and any amount allocated to any of your taxable year(s) prior to the first taxable year in which we were a PFIC, will be treated as ordinary income, and
- the amount allocated to each of your other taxable year(s) will be subject to the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or “excess distribution” cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the Ordinary Shares cannot be treated as capital, even if you hold the Ordinary Shares as capital assets.

A U.S. Holder of “marketable stock” (as defined below) in a PFIC may make a mark-to-market election under Section 1296 of the US Internal Revenue Code for such stock to elect out of the tax treatment discussed above. If you make a mark-to-market election for first taxable year which you hold (or are deemed to hold) Ordinary Shares and for which we are determined to be a PFIC, you will include in your income each year an amount equal to the excess, if any, of the fair market value of the Ordinary Shares as of the close of such taxable year over your adjusted basis in such Ordinary Shares, which excess will be treated as ordinary income and not capital gain. You are allowed an ordinary loss for the excess, if any, of the adjusted basis of the Ordinary Shares over their fair market value as of the close of the taxable year. However, such ordinary loss is allowable only to the extent of any net mark-to-market gains on the Ordinary Shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the Ordinary Shares, are treated as ordinary income. Ordinary loss treatment also applies to any loss realized on the actual sale or disposition of the Ordinary Shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such Ordinary Shares. Your basis in the Ordinary Shares will be adjusted to reflect any such income or loss amounts. If you make a valid mark-to-market election, the tax rules that apply to distributions by corporations which are not PFICs would apply to distributions by us, except that the lower applicable capital gains rate for qualified dividend income discussed above under “— Taxation of Dividends and Other Distributions on our Ordinary Shares” generally would not apply.

The mark-to-market election is available only for “marketable stock,” which is stock that is traded in other than de minimis quantities on at least 15 days during each calendar quarter (“regularly traded”) on a qualified exchange or other market (as defined in applicable U.S. Treasury regulations), including the Nasdaq Capital Market. If the Ordinary Shares are regularly traded on the Nasdaq Capital Market and if you are a holder of Ordinary Shares, the mark-to-market election would be available to you were we to be or become a PFIC.

Alternatively, a U.S. Holder of stock in a PFIC may make a “qualified electing fund” election under Section 1295(b) of the US Internal Revenue Code with respect to such PFIC to elect out of the tax treatment discussed above. A U.S. Holder who makes a valid qualified electing fund election with respect to a PFIC will generally include in gross income for a taxable year such holder’s pro rata share of the corporation’s earnings and profits for the taxable year. However, the qualified electing fund election is available only if such PFIC provides such U.S. Holder with certain information regarding its earnings and profits as required under applicable U.S. Treasury regulations. We do not currently intend to prepare or provide the information that would enable you to make a qualified electing fund election. If you hold Ordinary Shares in any taxable year in which we are a PFIC, you will be required to file U.S. Internal Revenue Service Form 8621 in each such year and provide certain annual information regarding such Ordinary Shares, including regarding distributions received on the Ordinary Shares and any gain realized on the disposition of the Ordinary Shares.

If you do not make a timely “mark-to-market” election (as described above), and if we were a PFIC at any time during the period you hold our Ordinary Shares, then such Ordinary Shares will continue to be treated as stock of a PFIC with respect to you even if we cease to be a PFIC in a future year, unless you make a “purging election” for the year we cease to be a PFIC. A “purging election” creates a deemed sale of such Ordinary Shares at their fair market value on the last day of the last year in which we are treated as a PFIC. The gain recognized by the purging election will be subject to the special tax and interest charge rules treating the gain as an excess distribution, as described above. As a result of the purging election, you will have a new basis (equal to the fair market value of the Ordinary Shares on the last day of the last year in which we are treated as a PFIC) and holding period (which new holding period will begin the day after such last day) in your Ordinary Shares for tax purposes.

You are urged to consult your tax advisors regarding the application of the PFIC rules to your investment in our Ordinary Shares and the elections discussed above.

Information Reporting and Backup Withholding

Dividend payments with respect to our Ordinary Shares and proceeds from the sale, exchange or redemption of our Ordinary Shares may be subject to information reporting to the U.S. Internal Revenue Service and possible U.S. backup withholding under Section 3406 of the US Internal Revenue Code with a current flat rate of 24%. Backup withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certification on U.S. Internal Revenue Service Form W-9 or who is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status generally must provide such certification on U.S. Internal Revenue Service Form W-9. U.S. Holders are urged to consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your U.S. federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the U.S. Internal Revenue Service and furnishing any required information. We do not intend to withhold taxes for individual shareholders. However, transactions effected through certain brokers or other intermediaries may be subject to withholding taxes (including backup withholding), and such brokers or intermediaries may be required by law to withhold such taxes.

Under the Hiring Incentives to Restore Employment Act of 2010, certain U.S. Holders are required to report information relating to our Ordinary Shares, subject to certain exceptions (including an exception for Ordinary Shares held in accounts maintained by certain financial institutions), by attaching a complete Internal Revenue Service Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold Ordinary Shares.

UNDERWRITING

We expect to enter into an underwriting agreement with Boustead Securities, LLC (the “Underwriter”), as the Underwriter named therein, with respect to the Ordinary Shares in this offering. Under the terms and subject to the conditions contained in the underwriting agreement, the Underwriter has agreed to purchase from us on a firm commitment basis the respective number of Ordinary Shares at the public price less the underwriting discounts set forth on the cover page of this prospectus:

Ordinary Shares sold by the Underwriter to the public will initially be offered at the initial public offering price set forth on the cover page of this prospectus. Any Ordinary Shares sold by the Underwriter to securities dealers may be sold at a discount from the initial public offering price not to exceed \$0.21 per share. If all of the shares are not sold at the initial offering price, the Underwriter may change the offering price and the other selling terms. The Underwriter has advised us that the Underwriter does not intend to make sales to discretionary accounts.

If the Underwriter sells more Ordinary Shares than the total number set forth in the table above, we have granted to the Underwriter an option, exercisable for 45 days from the date of this prospectus, to purchase up to 175,000 additional Ordinary Shares at the public offering price less the underwriting discount. The Underwriter may exercise this option solely for the purpose of covering over-allotments, if any, in connection with this offering. Any Ordinary Shares issued or sold under the option will be issued and sold on the same terms and conditions as the other Ordinary Shares that are the subject of this offering.

In connection with the offering, the Underwriter may purchase and sell shares in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions, which may include purchases pursuant to the over-allotment option, and stabilizing purchases.

- Short sales involve secondary market sales by the Underwriter of a greater number of shares than they are required to purchase in the offering.
- “Covered” short sales are sales of shares in an amount up to the number of shares represented by the Underwriter’s over-allotment option.
- “Naked” short sales are sales of shares in an amount in excess of the number of shares represented by the Underwriter’s over-allotment option.
- Covering transactions involve purchases of shares either pursuant to the over-allotment option or in the open market after the distribution has been completed in order to cover short positions.
- To close a naked short position, the Underwriter must purchase shares in the open market after the distribution has been completed. A naked short position is more likely to be created if the Underwriter is concerned that there may be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.
- To close a covered short position, the Underwriter must purchase shares in the open market after the distribution has been completed or must exercise the over-allotment option. In determining the source of shares to close the covered short position, the Underwriter will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option.
- Stabilizing transactions involve bids to purchase shares so long as the stabilizing bids do not exceed a specified maximum.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the Underwriter for their own accounts, may have the effect of preventing or retarding a decline in the market price of the Ordinary Shares. They may also cause the price of the Ordinary Shares to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The Underwriter may conduct these transactions in the over-the-counter market or otherwise. If the Underwriter commences any of these transactions, it may discontinue them at any time.

Discounts and Expenses

The following table shows the underwriting discounts payable to the Underwriter by us in connection with this offering (assuming both the exercise and non-exercise of the over-allotment option that we have granted to the Underwriter):

| | Per Share | Total Without Exercise of Over- Allotment Option | Total With Exercise of Over- Allotment Option |
|---------------------------------------|-----------|--|---|
| Public offering price | \$ 6.00 | \$ 7,000,000 | \$ 7,175,000 |
| Underwriting discounts ⁽¹⁾ | \$ 0.42 | \$ 490,000 | \$ 502,250 |

(1) Does not include (i) the warrant to purchase Ordinary Shares equal to 7% of the number of shares sold in the offering, or (ii) certain out-of-pocket expenses, each as described below.

We have agreed to issue warrants to the Underwriter to purchase a number of Ordinary Shares equal to 7% of the total number of shares sold in this offering at an exercise price equal to 100% of the public offering price of the shares sold in this offering. These warrants will be exercisable upon issuance, will have a cashless exercise provision and will terminate on the fifth anniversary of the effective date of the registration statement of which this prospectus is a part. The warrants also provide for customary anti-dilution provisions and “piggyback” registration rights with respect to the registration of the Ordinary Shares underlying the warrants for a period of five years from the date of this prospectus.

The Underwriter warrants and the underlying shares may be deemed to be compensation by FINRA, and therefore will be subject to FINRA Rule 5110(g)(1). In accordance with FINRA Rule 5110(g)(1), neither the Underwriter warrants nor any of our shares issued upon exercise of the Underwriter warrants may be sold, transferred, assigned, pledged or hypothecated, or be the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of such securities by any person, for a period of 180 days immediately following the date of effectiveness or commencement of sales of the offering pursuant to which the Underwriter warrants are being issued, subject to certain exceptions. The warrants to be received by the Underwriter and related persons in connection with this offering: (i) do not have a demand registration right with a duration of more than five years from the effective date of the registration statement pursuant to FINRA Rule 5110(f)(2)(G)(iv); (ii) fully comply with lock-up restrictions pursuant to FINRA Rule 5110(g)(1); and (iii) fully comply with transfer restrictions pursuant to FINRA Rule 5110(g)(2)(A)(ii).

We have agreed to pay the Underwriter reasonable out-of-pocket expenses incurred by the Underwriter in connection with this offering up to US\$271,000. The Underwriter out-of-pocket expenses include, but not limited to: (i) reasonable travel, road show presentation and out-of-pocket expenses; (ii) reasonable fees of legal counsel incurred by the Underwriter in connection with the offering; and (iii) the cost of background check on the Company’s officers, directors and major shareholders. As of August 5, 2019, we have paid an advance of \$110,250 to the Underwriter to be applied to the Underwriter anticipated out-of-pocket expenses. Such advance payments will be returned to us to the extent such out-of-pocket expenses are not actually incurred in accordance with FINRA Rule 5110(f)(2)(C).

In addition, the Company agrees that it shall provide the Underwriter the right of first refusal for two years from the last closing of the offering or termination or expiration of the engagement with Boustead Securities, LLC to act as financial advisor or to act as joint financial advisor on at least equal economic terms on any public or private financing (debt or equity), merger, business combination, recapitalization or sale of some or all of the equity or assets of the Company.

Prior to this offering, there has been no public market for the Ordinary Shares. In determining the initial public offering price, we and the Underwriter consider a number of factors, including:

- the information set forth in this prospectus and otherwise available to the Underwriter;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded securities of generally comparable companies; and
- other factors deemed relevant by the Underwriter and us.

The estimated initial public offering price set forth on the cover page of this preliminary prospectus is subject to change as a result of market conditions and other factors. Neither we nor the Underwriter can assure investors that an active trading market will develop for our Ordinary Shares, or that the shares will trade in the public market at or above the initial public offering price.

We have agreed to indemnify the Underwriter against certain liabilities, including liabilities under the Securities Act. If we are unable to provide this indemnification, we will contribute to payments that the Underwriter may be required to make for these liabilities.

Lock-Up Agreements

We and each of our officers, directors, and all existing shareholders agree not to offer, issue, sell, contract to sell, encumber, grant any option for the sale of or otherwise dispose of any shares of our Ordinary Shares or other securities convertible into or exercisable or exchangeable for ordinary shares for a period of up to twelve (12) months after the effective date of the registration statement of which this prospectus is a part without the prior written consent of the Underwriter.

The Underwriter may in its sole discretion and at any time without notice release some or all of the shares subject to lock-up agreements prior to the expiration of the lock-up period. When determining whether or not to release shares from the lock-up agreements, the Underwriter will consider, among other factors, the security holder's reasons for requesting the release, the number of shares for which the release is being requested and market conditions at the time.

Electronic Offer, Sale and Distribution of Ordinary Shares

A prospectus in electronic format may be made available on the websites maintained by the Underwriter. In addition, Ordinary Shares may be sold by the Underwriter to securities dealers who resell Ordinary Shares to online brokerage account holders. Other than the prospectus in electronic format, the information on the Underwriter's website and any information contained in any other website maintained by the Underwriter is not part of the prospectus or the registration statement of which this prospectus forms a part, has not been approved and/or endorsed by us or the Underwriter in its capacity as Underwriter and should not be relied upon by investors.

Selling Restrictions

No action has been taken in any jurisdiction (except in the United States) that would permit a public offering of the Ordinary Shares, or the possession, circulation or distribution of this prospectus or any other material relating to us or the Ordinary Shares, where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this prospectus nor any other offering material or advertisements in connection with the Ordinary Shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

EXPENSES RELATING TO THIS OFFERING

Set forth below is an itemization of the total expenses, excluding placement discounts and commissions, that we expect to incur in connection with this offering. With the exception of the SEC registration fee, the FINRA filing fee, and the Nasdaq listing fee, all amounts are estimates.

| | | |
|---|-----------|-------------------|
| Securities and Exchange Commission Registration Fee | \$ | 1,238.34 |
| Nasdaq Capital Market Listing Fee | \$ | 5,000.00 |
| FINRA | \$ | 2,000 |
| Legal Fees and Expenses | \$ | 360,000 |
| Accounting Fees and Expenses | \$ | 310,000 |
| Printing and Engraving Expenses | \$ | 32,995 |
| Miscellaneous Expenses | \$ | 271,000 |
| Total Expenses | \$ | 982,233.34 |

These expenses will be borne by us. Underwriting discounts will be borne by us in proportion to the numbers of Ordinary Shares sold in the offering.

LEGAL MATTERS

The validity of the Ordinary Shares offered in this offering and certain other legal matters as to Cayman Islands law will be passed upon for us by Campbells. Legal matters as to PRC law will be passed upon for us by Tian Yuan Law Firm. Pryor Cashman LLP is acting as counsel to the Underwriter.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

EXPERTS

The financial statements as of December 31, 2018 and 2017, and for the years ended December 31, 2018 and 2017, included in this registration statement have been so included in reliance on the report of Friedman LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

INTERESTS OF NAMED EXPERTS AND COUNSEL

No expert or counsel named in this prospectus as having prepared or certified any part of this prospectus or having given an opinion upon the validity of the securities being registered or upon other legal matters in connection with the registration or offering of the Ordinary Shares was employed on a contingency basis, or had, or is to receive, in connection with the offering, a substantial interest, direct or indirect, in the registrant. Nor was any such person connected with the registrant as a promoter, managing or principal Underwriter, voting trustee, director, officer, or employee.

DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION

Insofar as indemnification for liabilities arising under the Securities Act, may be permitted to our directors, officers or persons controlling us, we have been advised that it is the SEC's opinion that such indemnification is against public policy as expressed in such act and is, therefore, unenforceable.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form F-1, including relevant exhibits and schedules under the Securities Act, covering the Ordinary Shares offered by this prospectus. You should refer to our registration statements and their exhibits and schedules if you would like to find out more about us and about the Ordinary Shares. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Since the prospectus may not contain all the information that you may find important, you should review the full text of these documents.

Immediately upon the completion of this offering, we will be subject to periodic reporting and other informational requirements of the Exchange Act, as applicable to foreign private issuers. Accordingly, we will be required to file reports, including annual reports on Form 20-F, and other information with the SEC. As a foreign private issuer, we are exempt from the rules of the Exchange Act prescribing the furnishing and content of proxy statements to shareholders under the federal proxy rules contained in Sections 14(a), (b) and (c) of the Exchange Act, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

The registration statements, reports and other information so filed can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of these documents upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms. The SEC also maintains a website that contains reports, proxy statements and other information about issuers, such as us, who file electronically with the SEC. The address of that website is <http://www.sec.gov>. The information on that website is not a part of this prospectus.

INDEX TO FINANCIAL STATEMENTS

CHINA LIBERAL EDUCATION HOLDINGS LIMITED AND SUBSIDIARIES

TABLE OF CONTENTS

| | |
|---|------------|
| Consolidated Financial Statements | |
| Report of Independent Registered Public Accounting Firm | F-2 |
| Consolidated Balance Sheets as of December 31, 2018 and 2017 | F-3 |
| Consolidated Statements of Income and Comprehensive Income for the years ended December 31, 2018 and 2017 | F-4 |
| Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2018 and 2017 | F-5 |
| Consolidated Statements of Cash Flows for the years ended December 31, 2018 and 2017 | F-6 |
| Notes to Consolidated Financial Statements | F-7 – F-27 |

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of
China Liberal Education Holdings Limited and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of China Liberal Education Holdings Limited and its subsidiaries (collectively, the “Company”) as of December 31, 2018 and 2017, and the related consolidated statements of income and comprehensive income, shareholders’ equity, and cash flows for each of the years in the two-year period ended December 31, 2018, and the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Friedman LLP

We have served as the Company’s auditor since 2018.

New York, New York

May 6, 2019, except Notes 2, 12, 15 and 16,
as to which the date is August 5, 2019

CHINA LIBERAL EDUCATION HOLDINGS LIMITED
CONSOLIDATED BALANCE SHEETS

| | As of December 31, | |
|--|---------------------|---------------------|
| | 2018 | 2017 |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 2,077,166 | \$ 7,970 |
| Accounts receivable, net | 833,174 | 632,724 |
| Contract receivable, net | 960,237 | 160,270 |
| Advance to suppliers | 19,885 | 1,529,865 |
| Loan receivable | - | 1,997,726 |
| Due from a related party | 72,700 | - |
| Prepaid expenses and other current assets | 286,052 | 169,864 |
| TOTAL CURRENT ASSETS | 4,249,214 | 4,498,419 |
| Property and equipment, net | 101,205 | 68,155 |
| Contract receivable, net | 1,617,186 | 684,780 |
| TOTAL NONCURRENT ASSETS | 1,718,391 | 752,935 |
| TOTAL ASSETS | \$ 5,967,605 | \$ 5,251,354 |
| LIABILITIES AND EQUITY | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 121,558 | \$ 171,976 |
| Deferred revenue | 149,560 | 104,181 |
| Taxes payable | 244,142 | 177,722 |
| Due to related parties | 22,591 | 14,956 |
| Accrued expenses and other current liabilities | 178,175 | 171,526 |
| TOTAL CURRENT LIABILITIES | 716,026 | 640,361 |
| COMMITMENTS AND CONTINGENCIES | | |
| EQUITY | | |
| Ordinary shares, \$0.001 par value, 50,000,000 shares authorized; 5,000,000 shares issued and outstanding* | 5,000 | 5,000 |
| Additional paid in capital | 4,579,116 | 1,643,527 |
| Statutory reserve | 294,158 | 201,468 |
| Retained earnings | 88,967 | 2,274,585 |
| Accumulated other comprehensive income (loss) | (234,237) | 26,746 |
| Total shareholders' equity | 4,733,004 | 4,151,326 |
| Non-controlling interest | 518,575 | 459,667 |
| Total equity | 5,251,579 | 4,610,993 |
| TOTAL LIABILITIES AND EQUITY | \$ 5,967,605 | \$ 5,251,354 |

* The Company issued totally 5,000,000 shares in July 2019. These shares are presented on a retroactive basis to reflect the nominal share issuance, see Note 12 for additional information.

The accompanying notes are an integral part of these consolidated financial statements

CHINA LIBERAL EDUCATION HOLDINGS LIMITED
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

| | For the years ended | |
|--|---------------------|---------------------|
| | December 31, | |
| | 2018 | 2017 |
| REVENUE, NET | \$ 4,808,993 | \$ 3,885,886 |
| COST OF REVENUE | 2,702,297 | 2,161,322 |
| GROSS PROFIT | <u>2,106,696</u> | <u>1,724,564</u> |
| OPERATING EXPENSES | | |
| Selling expenses | 704,060 | 541,424 |
| General and administrative expenses | 579,500 | 408,762 |
| Total operating expenses | <u>1,283,560</u> | <u>950,186</u> |
| INCOME FROM OPERATIONS | <u>823,136</u> | <u>774,378</u> |
| OTHER INCOME | | |
| Interest income | 88,926 | 70,743 |
| Other income, net | 180,191 | 187,794 |
| Total other income, net | <u>269,117</u> | <u>258,537</u> |
| INCOME BEFORE INCOME TAXES | <u>1,092,253</u> | <u>1,032,915</u> |
| INCOME TAX PROVISION | <u>167,813</u> | <u>158,109</u> |
| NET INCOME | <u>924,440</u> | <u>874,806</u> |
| Less: net income attributable to non-controlling interest | 81,779 | 5,800 |
| NET INCOME ATTRIBUTABLE TO THE COMPANY | <u>\$ 842,661</u> | <u>\$ 869,006</u> |
| OTHER COMPREHENSIVE INCOME (LOSS) | | |
| Total foreign current translation adjustment | (260,983) | 238,632 |
| TOTAL COMPREHENSIVE INCOME | <u>663,457</u> | <u>1,113,438</u> |
| Less: comprehensive income (loss) attributable to non-controlling interest | (22,871) | 198 |
| COMPREHENSIVE INCOME ATTRIBUTABLE TO THE COMPANY | <u>\$ 686,328</u> | <u>\$ 1,113,240</u> |
| EARNINGS PER SHARE | | |
| Basic and diluted | <u>\$ 0.17</u> | <u>\$ 0.17</u> |
| WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING | | |
| Basic and diluted | <u>5,000,000</u> | <u>5,000,000</u> |

The accompanying notes are an integral part of these consolidated financial statements.

CHINA LIBERAL EDUCATION HOLDINGS LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

| | Common shares | | Additional paid-in capital | Statutory reserve | Retained earnings | Accumulated other comprehensive income (loss) | Total shareholders' equity | Non- controlling interest | Total equity |
|--|------------------|-----------------|----------------------------------|----------------------|----------------------|--|----------------------------------|---------------------------------|---------------------|
| | Shares* | Amount | | | | | | | |
| Balance at December 31, 2016 | 5,000,000 | \$ 5,000 | \$ 1,643,527 | \$ 113,816 | \$ 1,493,231 | \$ (211,886) | \$ 3,043,688 | \$ - | \$ 3,043,688 |
| Acquisition of minority interest in China Boya | | | - | - | - | - | - | 453,669 | 453,669 |
| Appropriation to statutory reserve | | | - | 87,652 | (87,652) | - | - | - | - |
| Net income | - | - | - | - | 869,006 | - | 869,006 | 5,800 | 874,806 |
| Foreign currency translation adjustment | - | - | - | - | - | 238,632 | 238,632 | 198 | 238,830 |
| Balance at December 31, 2017 | 5,000,000 | \$ 5,000 | \$ 1,643,527 | \$ 201,468 | \$ 2,274,585 | \$ 26,746 | \$ 4,151,326 | \$ 459,667 | \$ 4,610,993 |
| Capital restructuring (Note 11) | | | 2,935,589 | | (2,935,589) | - | - | - | - |
| Appropriation to statutory reserve | - | - | - | 92,690 | (92,690) | - | - | - | - |
| Net income | - | - | - | - | 842,661 | - | 842,661 | 81,779 | 924,440 |
| Foreign currency translation adjustment | - | - | - | - | - | (260,983) | (260,983) | (22,871) | (283,854) |
| Balance at December 31, 2018 | 5,000,000 | \$ 5,000 | \$ 4,579,116 | \$ 294,158 | \$ 88,967 | \$ (234,237) | \$ 4,733,004 | \$ 518,575 | \$ 5,251,579 |

* The Company issued totally 5,000,000 shares in July 2019. These shares are presented on a retroactive basis to reflect the nominal share issuance, see Note 12 for additional information.

The accompanying notes are an integral part of these consolidated financial statements.

CHINA LIBERAL EDUCATION HOLDINGS LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS

| | For the years ended | |
|---|---------------------|--------------------|
| | December 31, | |
| | <u>2018</u> | <u>2017</u> |
| Cash flows from operating activities | | |
| Net income | \$ 924,440 | \$ 874,806 |
| Adjusted to reconcile net income to cash provided by (used in) operating activities | | |
| Depreciation and amortization | 45,347 | 46,649 |
| Loss from disposal of fixed assets | - | 22,223 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable, net | (243,769) | (552,457) |
| Contract receivable, net | (1,848,073) | (813,737) |
| Advance to suppliers | 1,484,014 | (1,471,166) |
| Due from a related party | (75,571) | - |
| Prepaid expenses and other current assets | (130,282) | (20,178) |
| Accounts payable | (42,786) | 121,143 |
| Deferred revenue | 53,000 | (1,847,265) |
| Taxes payable | 78,988 | (48,262) |
| Accrued expenses and other current liabilities | 16,507 | (26,949) |
| Net cash provided by (used in) operating activities | <u>261,816</u> | <u>(3,715,193)</u> |
| Cash flows from investing activities | | |
| Purchase of property and equipment | (83,515) | (9,353) |
| Repayment of loan receivable | 1,964,844 | 443,931 |
| Loan to a third party | - | (1,923,703) |
| Collection of an investment deposit | - | 1,659,491 |
| Collection of a short-term investment | - | 2,663,589 |
| Net cash provided by investing activities | <u>1,881,329</u> | <u>2,833,955</u> |
| Cash flows from financing activities | | |
| Purchase of non-controlling interest | - | 453,669 |
| Proceeds from related party loans | 8,094 | 1,580 |
| Net cash provided by financing activities | <u>8,094</u> | <u>455,249</u> |
| Effect of changes of foreign exchange rates on cash | (82,043) | (4,738) |
| Net increase (decrease) in cash | 2,069,196 | (430,727) |
| Cash, beginning of year | 7,970 | 438,697 |
| Cash, end of year | <u>\$ 2,077,166</u> | <u>\$ 7,970</u> |
| Supplemental disclosure of cash flow information | | |
| Cash paid for interest expense | \$ - | \$ - |
| Cash paid for income tax | <u>\$ 79,830</u> | <u>\$ 208,936</u> |
| Supplemental disclosure of non-cash investing and financing activities | | |
| Capital restructuring | <u>\$ 2,935,589</u> | <u>\$ -</u> |

The accompanying notes are an integral part of these consolidated financial statements.

CHINA LIBERAL EDUCATION HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — ORGANIZATION AND BUSINESS DESCRIPTION

China Liberal Education Holdings Limited (“China Liberal” or the “Company”) was established under the laws of the Cayman Islands on February 25, 2019 as a holding company.

China Liberal owns 100% equity interest of Yi Xin BVI International Investment Limited (“Yi Xin BVI”), a business company established under the laws of the British Virgin Islands (“BVI”) on October 19, 2010

China Liberal Beijing Education Group Co., Limited (“Boya Hong Kong”), formerly known as Haier International Investment Holding Limited, was incorporated in accordance with the laws and regulations of Hong Kong on May 11, 2011, and changed to its current name on July 19, 2016. Yi Xin BVI owns 100% equity interest in Boya Hong Kong.

China Liberal, Yi Xin BVI and Boya Hong Kong are currently not engaging in any active business operations and merely acting as holding companies.

Huaxia Boya (Beijing) Education Technology Co., Ltd. (“China Liberal Beijing”) was formed on August 8, 2011, as a Wholly Foreign-Owned Enterprise (“WFOE”) in the People’s Republic of China (“PRC”), with the registered capital of RMB 33.46 million (approximately \$5.1 million). Through December 31, 2018, Boya Hong Kong owned 91.1772% ownership interest in China Liberal Beijing, with the remaining 8.8228% ownership interest owned by five individual shareholders (see Note 15).

The Company, through its wholly-owned subsidiaries, is primarily engaged in providing educational services in the People’s Republic of China (the “PRC”) under the “China Liberal” brand. The Company offers a wide range of educational services and programs to customers, consisting primarily of Sino-foreign Jointly Managed Academic Programs, sales of textbooks and course material sales, Overseas Study Consulting Services and technological consulting services provided for targeted Chinese universities/colleges to help them improve their data management system and to optimize their teaching and operating environment.

Reorganization

A reorganization of the legal structure of the Company (“Reorganization”) was completed on March 25, 2019. The reorganization involved the incorporation of China Liberal, and the transfer of the 100% equity interest of Yi Xin BVI to China Liberal. Consequently, China Liberal became the ultimate holding company of all other entities mentioned above.

The Reorganization has been accounted for as a recapitalization among entities under common control since the same controlling shareholders controlled all these entities before and after the Reorganization. The consolidation of the Company and its subsidiaries has been accounted for at historical cost and prepared on the basis as if the aforementioned transactions had become effective as of the beginning of the first period presented in the accompanying consolidated financial statements. Results of operations for the periods presented comprise those of the previously separate entities combined from the beginning of the period to the end of the period, eliminating the effects of intra-entity transactions.

Upon the completion of the Reorganization, the Company has subsidiaries in countries and jurisdictions in the PRC, Hong Kong and BVI. Details of the subsidiaries of the Company as of December 31, 2018 were set out below:

| Name of Entity | Date of Incorporation | Place of Incorporation | % of Ownership | Principal Activities |
|-----------------------|------------------------------|-------------------------------|-----------------------|-----------------------------|
| China Liberal | February 25, 2019 | Cayman Island | Parent, 100% | Investment holding |
| Yi Xin BVI | October 19, 2010 | BVI | 100% | Investment holding |
| Boya Hong Kong | May 11, 2011 | Hong Kong | 100% | Investment holding |
| China Liberal Beijing | August 8, 2011 | Beijing, PRC | 91.18% | Education service provider |

CHINA LIBERAL EDUCATION HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The accompanying consolidated financial statements include the financial statements of China Liberal, Yi Xin BVI, Boya Hong Kong and China Liberal Beijing. All inter-company balances and transactions are eliminated upon consolidation.

Non-controlling interest

Non-controlling interests represent five minority shareholders' aggregate 8.8228% ownership interest in China Liberal Beijing as of December 31, 2018 and 2017. The non-controlling interests are presented in the consolidated balance sheets, separately from equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Company are presented on the face of the consolidated statements of income and comprehensive income as an allocation of the total income for the year between non-controlling interest holders and the shareholders of the Company.

Uses of estimates

In preparing the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP"), management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on information as of the date of the consolidated financial statements. Significant estimates required to be made by management include, but are not limited to, the valuation of accounts receivable, advances to suppliers, useful lives of property and equipment, the recoverability of long-lived assets, provision necessary for contingent liabilities and revenue recognition. Actual results could differ from those estimates.

Risks and Uncertainties

The main operations of the Company are located in the PRC. Accordingly, the Company's business, financial condition, and results of operations may be influenced by political, economic, and legal environments in the PRC, as well as by the general state of the PRC economy. The Company's results may be adversely affected by changes in the political, regulatory and social conditions in the PRC. Although the Company has not experienced losses from these situations and believes that it is in compliance with existing laws and regulations including its organization and structure disclosed in Note 1, such experience may not be indicative of future results.

CHINA LIBERAL EDUCATION HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash

Cash includes currency on hand and deposits held by banks that can be added or withdrawn without limitation. The Company maintains most of its bank accounts in the PRC. Cash balances in bank accounts in PRC are not insured by the Federal Deposit Insurance Corporation or other programs.

Accounts and contract receivable, net

Accounts and contract receivable are recognized and carried at original invoiced amount less an estimated allowance for uncollectible accounts.

The Company determines the adequacy of reserves for doubtful accounts based on individual account analysis and historical collection trend. The Company establishes a provision for doubtful receivables when there is objective evidence that the Company may not be able to collect amounts due. The allowance is based on management's best estimate of specific losses on individual exposures, as well as a provision on historical trends of collections. Actual amounts received may differ from management's estimate of credit worthiness and the economic environment. Delinquent account balances are written-off against the allowance for doubtful accounts after management has determined that the likelihood of collection is not probable. As of December 31, 2018 and 2017, there was no allowance recorded as the Company considers all of the accounts receivable fully collectible.

The Company's contract receivable represents balance derived from the Technological Consulting Services for Smart Campus Solutions provided to a Chinese university, Fuzhou Melbourne Polytechnic ("FMP"), when the projects under the contract have been completed and accepted by FMP, but the balance has not been past due based on the contracted payment schedule. The Company offers longer credit terms to FMP for the purpose of maintaining long-term relationship. In addition to the "smart campus" solutions related services provided to FMP, the Company also has Sino-foreign Jointly Managed Education Programs services with FMP since 2011. The Company had not incurred any bad debts with FMP in the past, and accordingly considers the contract receivable fully collectible. Thus, there was no allowance recorded on such outstanding contract receivable for the years ended December 31, 2018 and 2017 (See Note 3).

Advances to suppliers

Advance to suppliers consists of balances paid to suppliers that have not been provided or received. The Company makes advance payment to suppliers for purchase of equipment and devices in order to undertake the "smart campus" consulting projects for customers. Advance to suppliers are short-term in nature and are reviewed periodically to determine whether their carrying value has become impaired. The Company considers the assets to be impaired if the realizability of the advance becomes doubtful. As of December 31, 2018 and 2017, there was no allowance recorded as the Company considers all of the advances fully realizable.

Loans receivable

Loans receivable represent cash advance mainly used for short-term funding to unrelated third parties. The loans are due on demand with an interest rate ranged from 4.8% to 5% per annum. Loans receivable are reviewed periodically as to whether their carrying values remain realizable.

CHINA LIBERAL EDUCATION HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of long-lived Assets

Long-lived assets with finite lives, primarily property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the estimated cash flows from the use of the asset and its eventual disposition below are the asset's carrying value, then the asset is deemed to be impaired and written down to its fair value. There were no impairments of these assets as of December 31, 2018 and 2017.

Fair value of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-level fair value hierarchy prioritizes the inputs used to measure fair value. The hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 — inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 — inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, quoted market prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable and inputs derived from or corroborated by observable market data.
- Level 3 — inputs to the valuation methodology are unobservable.

Unless otherwise disclosed, the fair value of the Company's financial instruments, including cash, accounts receivable, advances to suppliers, due from a related party, loans receivable, prepaid expenses and other current assets, accounts payable, deferred revenue, accrued expenses and other current liabilities, taxes payable and due to related parties, approximate the fair value of the respective assets and liabilities as of December 31, 2018 and 2017 based upon the short-term nature of the assets and liabilities. The fair value of the contract receivable also approximate its carrying amount because the receivable was derived from a fixed-price contract and will be settled by cash.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization of property and equipment is provided using the straight-line method over their expected useful lives, as follows:

| | Useful life |
|--------------------------------|--|
| Office equipment and furniture | 5 years |
| Electronic equipment | 5 years |
| Transportation vehicles | 5-10 years |
| Leasehold improvement | Shorter of the lease term or estimated useful life |

Expenditures for maintenance and repairs, which do not materially extend the useful lives of the assets, are charged to expense as incurred. Expenditures for major renewals and betterments which substantially extend the useful life of assets are capitalized. The cost and related accumulated depreciation of assets retired or sold are removed from the respective accounts, and any gain or loss is recognized in the consolidated statements of income and other comprehensive income in other income or expenses.

Revenue recognition

The Company's revenue is recognized when persuasive evidence that an arrangement exists, delivery of services or products has occurred, the selling price is fixed or determinable and the collection is reasonably assured. Revenue is reported net of all value added taxes ("VAT").

CHINA LIBERAL EDUCATION HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The primary sources of the Company's revenue are as follows:

- *Sino-foreign Jointly-Managed Academic Programs*

The Company recommends and coordinates accredited international universities/colleges to forge partnerships with Chinese host universities/colleges to establish international education programs at degree level. Chinese host universities/colleges then utilize their existing administrative ability, campus classrooms and facilities to recruit Chinese students into such programs. The Company also selects, recruits and appoints qualified foreign faculty to teach major courses at selected Chinese host universities/colleges and bears all faculty related costs, provides continuing support to foreign faculty, develops and delivers major course content and materials to ensure teaching quality meeting international standards, and to optimize students' learning outcome and to prepare them for further education overseas and help them with course credit conversion in the event that any student decides to pursue further study overseas. The Company actively supports and interacts with enrolled students throughout their programs to ensure successful program completion. As a result of performing the above mentioned services, the Company is entitled to receive 30% to 50% of such student tuitions, which are collected first by Chinese host universities/colleges from enrolled students at the beginning of each academic school year, and then remitted to the Company.

With respect to Sino-foreign Jointly Managed Academic Programs, the Company is not involved in recruiting students, collecting tuition refunding tuition when students dropout, all of which are handled by the host universities/ colleges. The host universities/ colleges normally offer tuition refund if a student drops out from school within the first month of each academic school year. Collected tuition fees become non-refundable after the one-month refund policy window. Historically, for students enrolled under the Sino-foreign Jointly Managed Academic Programs, the average student dropout rate was below 1%. The Company's contracts with Chinese host universities/colleges provide that (1) the host universities/ colleges will withhold the tuition collected from students for one to three months after the academic school year starts in September, and then remit the portion of tuition fees to the Company after the student headcounts have been finalized, and (2) the portion of tuition fee that the Company is entitled to receive is calculated based on the final actual number of students retained with the universities/colleges after any student dropout has been adjusted. Accordingly, any tuition refund has already been deducted by host universities/ colleges before the Company receives its portion of the tuition fees. For accounting purposes, at the beginning of each academic school year, the Company initially accrues the estimated refund based on an historical 1% student dropout rate, and makes subsequent true-up adjustments after the final number of students retained with the host universities/colleges is determined. Such adjustments were immaterial for the years ended December 31, 2018 and 2017.

The Company's contracts with Chinese host universities/colleges provide that foreign teachers assigned by the Company should be substituted, and teaching textbooks, course materials and curriculums should be adjusted in a timely manner in order to ensure a satisfactory teaching result. The Chinese host universities/ colleges have the right to withhold the Company's portion of the tuition if the Company does not take corrective action when the Company's service deficiency is identified. Any costs related to teacher substitution, textbooks, course materials and curriculums adjustment should be borne by the Company. The Company maintains active communications with the host universities/ colleges in order to obtain feedback on the quality of the services performed. Any service deficiency is being corrected and improved on in a timely manner so as to achieve satisfactory long-term cooperation with the host universities/ colleges. There were no complaints received from the host universities/ colleges with respect to the Company's services for the years ended December 31, 2018 and 2017 which required material adjustment to the amount of fees received by the Company.

The tuition fees received by the Company are initially recorded as deferred revenue and recognized ratably over applicable academic year as the Company's teaching, management and other supporting services are carried out over the whole academic year.

- *Sales of textbooks and course materials*

In order to ensure the quality of the course content to meet international standards, the Company have developed and edited more than 16 English textbooks and course materials with emphasis on language training, and sells these textbooks and course materials to students enrolled under the Sino-foreign joint education programs.

Revenue from sales of textbooks and related course materials is recognized upon delivery of textbooks and course materials, which is when the risks and titles are transferred.

- *Overseas Study Consulting Service*

The Company's Overseas Study Consulting Services target those students who wish to study in foreign countries to enrich their learning experiences and to expand their horizon and employment possibilities. The Company's overseas study consulting services are typically performed under one-on-one private tutoring model with duration of four to six months. The Company provides school information to help students make informed decisions about which institution and major to choose from, help them prepare for school application and admission; provides study plans, language training and test preparation courses to help students improve their foreign language ability and help them achieve higher scores in international admission and assessment tests. The Company also helps students on visa application and paperwork, and offers overseas extended services such as finding accommodation and travel assistance. In connection with these services, the Company collects an up-front fee based on the scope of consulting services requested by students. 90% of the consulting service fee collected is non-refundable, and is recognized ratably as revenue over the service period, while 10% of the consulting fee is refundable and is deferred and recognized as revenue when students are successfully admitted by foreign institution and student visas are granted.

CHINA LIBERAL EDUCATION HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (Continued)

- *Technological Consulting Services for Smart Campus Solutions*

Under the concept of “creating smart campus”, the Company’s technological consulting services utilize the advanced information technology such as cloud computing, mobile internet and big data analytics to provide total solutions to targeted Chinese universities/colleges in order to integrate and improve their teaching, research, student data management, storage and processing, and campus life services, and to optimize their teaching and operating environment and improve operational efficiency. The Company’s “smart campus” related technological consulting service contracts are primarily on a fixed-price basis, which require the Company to perform services including project planning, project solution and design, data management application customization, installations of hardware equipment and components for digital classrooms and academic experiment centers or labs, integration of hardware and software application, and post-contract continuous maintenance support, based on the specific needs from each customer. Upon delivery of services, project completion inspection and customer acceptance are generally required. In the same contract, it may also include provisions that require the Company to provide post-contract maintenance support for a period ranging from several months to three years after customized “smart campus” solutions and services are delivered.

The Company evaluates “smart campus” solution service contracts and determines whether these contracts contain multiple deliverable arrangements. An arrangement is separated, if (1) the delivered element(s) has (have) value to the customer on a stand-alone basis, (2) there is reliable evidence of the fair value of the undelivered element (s) and (3) if the arrangement includes a general right of return relative to the delivered element(s), delivery or performance of the undelivered element (s) is (are) considered probable and substantially in the control of the Company. If all three criteria are fulfilled, appropriate revenue recognition convention is then applied to each separate unit of accounting. If the three criteria are not met, revenue is deferred until such criteria are met or until the period in which the last undelivered element is delivered.

The Company determines “smart campus” solution and application customization service, installations of hardware and software components, and post-contract continuous maintenance support, as separated deliverables in same fixed-fee contract, because the Company’s promise to transfer each of these services is separately identifiable from other promises in the contract. The Company allocates contract revenue to the identified separate units based on their relative fair value.

Reliable fair values are sales prices for the component when it is regularly sold on a stand-alone basis, third-party prices for similar components or, under certain circumstances, cost plus, an adequate business specific profit margin related to the relevant element. The amount allocable to the delivered elements is limited to the amount that is not contingent upon delivery of additional elements or meeting other specified performance conditions. Revenue allocated to technological consulting services for “smart campus” solution is recognized upon completion of each unit of service. In instances where substantive completion inspection and customer acceptance provisions are specified in contracts, revenues are deferred until all inspection and acceptance criteria have been met.

Costs on data management application system customization

With its “smart campus” solution services to Chinese universities/colleges, the Company provides technical support to help Chinese universities/ colleges to customize their campus data management application system to record student information. The Company does not develop and own the data management application software. Costs incurred, which consist primarily of internal salaries and benefits of personnel involved in the provision of such services, were included in the cost of revenue in the consolidated statements of income and comprehensive income.

Advertising expense

Advertising expenses primarily relate to advertisement of the Company’s brand name and services through outdoor billboards and social media such as Weibo and WeChat. Advertising expenses are included in selling expenses in the consolidated statements of income and comprehensive income. Advertising expenses amounted to \$47,353 and \$27,884 for the years ended December 31, 2018 and 2017, respectively.

CHINA LIBERAL EDUCATION HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government subsidies

Government subsidies primarily relate to value added tax refund on qualified teaching data management software developed by the Company and used in the Company's Technological Consulting Services for Smart Campus Solution projects, with the subsidy amount approved by local tax authority. The Company recognizes government subsidies as other operating income when they are received because they are not subject to any past or future conditions, there are no performance conditions or conditions of use, and they are not subject to future refunds. Government subsidies received and recognized as other operating income totaled \$169,789 and \$158,625 for the years ended December 31, 2018 and 2017, respectively.

Income taxes

The Company accounts for current income taxes in accordance with the laws of the relevant tax authorities. Deferred income taxes are recognized when temporary differences exist between the tax bases of assets and liabilities and their reported amounts in the consolidated financial statements. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period including the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

An uncertain tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. Penalties and interest incurred related to underpayment of income tax are classified as income tax expense in the period incurred. No significant penalties or interest relating to income taxes have been incurred during the years ended December 31, 2018 and 2017. The Company does not believe there was any uncertain tax provision at December 31, 2018 and 2017.

The Company's operating subsidiary in China is subject to the income tax laws of the PRC. No significant income was generated outside the PRC for the fiscal years ended December 31, 2018 and 2017. As of December 31, 2018, the tax years ended December 31, 2014 through December 31, 2018 for the Company's PRC Subsidiary remain open for statutory examination by PRC tax authorities.

Value added tax ("VAT")

The PRC government implemented a value-added tax reform pilot program, which replaced the business tax with VAT on selected sectors including but not limited to education in Beijing effective September 1, 2012. In August 2013, the pilot program was expanded nationwide in certain industries. Since May 2016, the change from business tax to VAT are expanded to all other service sectors which used to be subject to business tax. The VAT rates applicable to the subsidiaries and consolidated variable interest entities of the Group ranged from 3% to 6% as compared to the 3%~5% business tax rate which was applicable prior to the reform.

CHINA LIBERAL EDUCATION HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Earnings per Share

The Company computes earnings per share (“EPS”) in accordance with ASC 260, “Earnings per Share” (“ASC 260”). ASC 260 requires companies with complex capital structures to present basic and diluted EPS. Basic EPS is measured as net income divided by the weighted average common shares outstanding for the period. Diluted presents the dilutive effect on a per share basis of potential common shares (e.g., convertible securities, options and warrants) as if they had been converted at the beginning of the periods presented, or issuance date, if later. Potential common shares that have an anti-dilutive effect (i.e., those that increase income per share or decrease loss per share) are excluded from the calculation of diluted EPS. As of December 31, 2018 and 2017, there were no dilutive shares.

Foreign currency translation

Since the Company operates primarily in the PRC, the Company’s functional currency is the Chinese Yuan (“RMB”). The Company’s consolidated financial statements have been translated into the reporting currency U.S. Dollars (“US\$”). Assets and liabilities of the Company are translated at the exchange rate at each reporting period end date. Equity is translated at historical rates. Income and expense accounts are translated at the average rate of exchange during the reporting period. The resulting translation adjustments are reported under other comprehensive income (loss). Gains and losses resulting from the translations of foreign currency transactions and balances are reflected in the results of operations.

The RMB is not freely convertible into foreign currency and all foreign exchange transactions must take place through authorized institutions. No representation is made that the RMB amounts could have been, or could be, converted into US\$ at the rates used in translation.

The following table outlines the currency exchange rates that were used in creating the consolidated financial statements in this report:

| | December 31, 2018 | December 31, 2017 |
|--------------------|------------------------------|------------------------------|
| Year-end spot rate | US\$1=RMB 6.8776 | US\$1=RMB 6.5074 |
| Average rate | US\$1=RMB 6.6163 | US\$1=RMB 6.7578 |

Comprehensive income

Comprehensive income consists of two components, net income and other comprehensive income (loss). The foreign currency translation gain or loss resulting from translation of the financial statements expressed in RMB to US\$ is reported in other comprehensive income (loss) in the consolidated statements of income and comprehensive income.

CHINA LIBERAL EDUCATION HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Statement of Cash Flows

In accordance with ASC 230, “Statement of Cash Flows”, cash flows from the Company’s operations are formulated based upon the local currencies. As a result, amounts related to assets and liabilities reported on the statements of cash flows will not necessarily agree with changes in the corresponding balances on the balance sheets.

Recent Accounting Pronouncements

The Company considers the applicability and impact of all accounting standards updates (“ASUs”). Management periodically reviews new accounting standards that are issued.

In May 2014, the Financial Accounting Standard Board (the “FASB”) issued ASU No. 2014-09, “Revenue from Contracts with Customers (Topic 606)” (“ASU 2014-09”). ASU 2014-09 requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either the retrospective or cumulative effect transition method. The guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. In August 2015, the FASB issued ASU No. 2015-14, “Deferral of the Effective Date” (“ASU 2015-14”), which defers the effective date for ASU 2014-09 by one year. For public entities, the guidance in ASU 2014-09 will be effective for annual reporting periods beginning after December 15, 2017 (including interim reporting periods within those periods). In March 2016, the FASB issued ASU No. 2016-08, “Principal versus Agent Considerations (Reporting Revenue versus Net)” (“ASU 2016-08”), which clarifies the implementation guidance on principal versus agent considerations in the new revenue recognition standard. As an “emerging growth company,” or EGC, the Company has elected to take advantage of the extended transition period provided in the Securities Act Section 7(a)(2)(B) for complying with new or revised accounting standards applicable to private companies. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2018, including interim periods within annual reporting period beginning after December 15, 2019.

The Company adopted ASC 606 on January 1, 2019, using the modified retrospective method. The Company has completed the assessment of the impact of this new guidance by reviewing its existing customer contracts and current accounting policies and practices to identify differences that might result from applying the new requirements, including the evaluation of its performance obligations, transaction price, customer payments, transfer of control and principal versus agent considerations. Based on the assessment, the Company concluded that there was no change to the timing and pattern of revenue recognition for its current revenue streams in scope of Topic 606. The adoption of Topic 606 did not result in a cumulative catch-up adjustment to the Company’s opening balance sheets of retained earnings at the effective date and therefore there were no material changes to the Company’s consolidated financial statements. The Company’s future financial statements will include additional disclosures as required by Topic 606.

CHINA LIBERAL EDUCATION HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements (Continued)

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which requires lessees to recognize a right-of-use asset and lease liability on the balance sheet for all leases, including operating leases, with a term in excess of 12 months. The guidance also expands the quantitative and qualitative disclosure requirements. The guidance will be effective in fiscal year 2020, with early adoption permitted, and must be applied using a modified retrospective approach. In July 2018, the FASB issued updates to the lease standard making transition requirements less burdensome. The update provides an option to apply the transition provisions of the new standard at its adoption date instead of at the earliest comparative period presented in the company's financial statements. The new guidance requires the lessee to record operating leases on the balance sheet with a right-of-use asset and corresponding liability for future payment obligations. FASB further issued ASU 2018-11 "Target Improvement" and ASU 2018-20 "Narrow-scope Improvements for Lessors." As an emerging growth company, we will adopt this guidance effective January 1, 2020. We do not expect the cumulative effect resulting from the adoption of this guidance will have a material impact on our consolidated financial statements.

In February 2018, the FASB has issued Accounting Standards Update (ASU) No. 2018-02, "Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income." The ASU amends ASC 220, *Income Statement — Reporting Comprehensive Income*, to "allow a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act." In addition, under the ASU, an entity will be required to provide certain disclosures regarding stranded tax effects. The ASU is effective for all entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. This guidance did not have a material impact on its consolidated financial statements.

In March 2018, the FASB issued ASU 2018-05 — Income Taxes (Topic 740): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118 ("ASU 2018-05"), which amends the FASB Accounting Standards Codification and XBRL Taxonomy based on the Tax Cuts and Jobs Act (the "Act") that was signed into law on December 22, 2017, and Staff Accounting Bulletin No. 118 ("SAB 118") that was released by the Securities and Exchange Commission. The Act changes numerous provisions that impact U.S. corporate tax rates, business-related exclusions, and deductions and credits and may additionally have international tax consequences for many companies that operate internationally. The Company does not believe this guidance will have a material impact on its consolidated financial statements.

In August 2018, the FASB Accounting Standards Board issued ASU No. 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework Changes to the Disclosure Requirements for Fair Value Measurement" ("ASU 2018-13"). ASU 2018-13 modifies the disclosure requirements on fair value measurements. ASU 2018-13 is effective for public entities for fiscal years beginning after December 15, 2019, with early adoption permitted for any removed or modified disclosures. The removed and modified disclosures will be adopted on a retrospective basis and the new disclosures will be adopted on a prospective basis. The Company does not expect this guidance will have a material impact on its consolidated financial statements.

NOTE 3 — ACCOUNTS RECEIVABLE, NET

Accounts receivable consist of the following:

| | December 31, 2018 | December 31, 2017 |
|---|------------------------------|------------------------------|
| Accounts receivable- Overseas Study Consulting Services | \$ 346,332 | \$ - |
| Accounts receivable- Sino-foreign Jointly Managed Academic Programs | 486,842 | 632,724 |
| Less: allowance for doubtful accounts | - | - |
| Accounts receivable, net | <u>\$ 833,174</u> | <u>\$ 632,724</u> |

Under the Sino-foreign Jointly Managed Academic Programs, student tuition fees are collected by the Chinese host universities/colleges at the beginning of each academic school year and then remit the agreed portion to the Company within one to four months. The \$486,842 tuition receivable under joint-managed academic programs as of December 31, 2018 has been fully collected in January and March 2019.

The Company's overseas study consulting services normally require students to make upfront payment upon signing of contract. Occasionally, some students may wish to make installment payments. The \$346,332 balance as of December 31, 2018 represents those billed but not yet collected installment payments, which have been fully collected in January 2019.

CHINA LIBERAL EDUCATION HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 — CONTRACT RECEIVABLE, NET

Contract receivable consists of the following:

| | December 31, 2018 | December 31, 2017 |
|---|------------------------------|------------------------------|
| Contract receivable- “Smart Campus” related technological consulting services | \$ 2,425,779 | \$ 845,050 |
| Contract receivable- “Smart campus” project maintenance and technical support fee | 151,644 | - |
| Less: allowance for doubtful accounts | - | - |
| Total contract receivable, net | 2,577,423 | 845,050 |
| Less: current portion of contract receivable | 960,237 | 160,270 |
| Contract receivable, non-current | \$ 1,617,186 | \$ 684,780 |

In 2017, the Company entered into a contract with Fuzhou Melbourne Polytechnic (“FMP”) to help FMP with its smart campus project, which include creating a big data center, digital classrooms, and an experiment-based simulation teaching center for its business school.

The projects under FMP contract requires the leveraging hardware facilities such as sensors, internet of things, digital portal, electronic blackboards, smartboards, projectors, LED display panels, high definition classroom audio and sound system and other lab-based equipment, together with data management applications, to create a total smart campus solution for FMP. In addition to the installation of hardware and data management application to make the smart campus system meet the expected operational conditions, the Company is also responsible for the post-contract maintenance and continuous technical support during the period of 2019 to 2021. Total contract price under the FMP “smart campus” project is RMB 16.68 million (approximately \$2.4 million) for completion of the software and hardware installation, plus additional RMB 5.05 million (approximately \$0.73 million) post-contract maintenance and technical support fee. Among the RMB 5.05 million maintenance and support fee, RMB 1.04 million (USD \$151,644) contract receivable for maintenance and technical support services rendered in 2018 has been received in January 2019. The remaining RMB 4.01 million (approximately \$0.58 million) post-contract maintenance and technical support fee will be paid in three equal installments in 2019 to 2021 when services are rendered.

The contracted projects for the big data center, digital classrooms, an experiment-based simulation teaching center and a lab-based experiment center have been fully completed in November 2018 with satisfactory inspection and acceptance by FMP in December 2018. Based on the contract payment schedule, RMB 16.68 million earned project fee shall be paid in three installments as follows:

| Payment schedule | RMB | USD |
|-------------------------|------------|--------------|
| 2019 | 5,561,180 | \$ 808,593 |
| 2020 | 5,561,180 | 808,593 |
| 2021 | 5,561,180 | 808,593 |
| Total | 16,683,540 | \$ 2,425,779 |

As of December 31, 2018 and 2017, no allowance for doubtful accounts was recorded as the Company considers all of the contract receivable on “smart campus” project from FMP fully collectible because in addition to the “smart campus” project, the Company has Sino-foreign Jointly Managed Academic Programs with FMP since 2011 and there was no payment default based on past experience with FMP. Accordingly, management believes that cash collection from FMP is reasonably assured. As of December 31, 2018, \$808,593 contract receivable aged above 1 year was scheduled to be settled by FMP within 2019. Subsequently in April 2019, FMP made a payment of RMB 2 million (USD \$290,799) to the Company as part of the 2019 payment and the Company expects to collect the remaining \$517,794 from FMP by October 2019.

CHINA LIBERAL EDUCATION HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 — ADVANCE TO SUPPLIERS, NET

In connection with the technological consulting services provided to FMP for the “smart campus” project as disclosed in Note 4, the Company made advance payment of \$1,529,865 to suppliers in 2017 for purchase of electronic sensors, smartboards, projectors, LED display panels, high definition classroom audio and sound system and other lab-based equipment. Most of the purchased equipment and electronic components have been received and used on the projects in 2018. The balance of advance to suppliers was \$19,885 as of December 31, 2018.

NOTE 6 — LOAN RECEIVABLE

On March 19, 2017, the Company advanced a short-term loan in the amount of \$1,997,726 (RMB 13 million) to a non-related third party, Jinjiang Hengfeng Trading Co., Ltd. (“Hengfeng”), as working capital, bearing interest rate of 4.8% per annum with maturity date of September 19, 2017. Immediate before the loan maturity, on September 5, 2017, the Company and Hengfeng signed a supplemental agreement to extend the loan maturity to December 19, 2018 with adjusted interest rate of 5% per annum. The loan was guaranteed by another non-related third party, Fujian Rongde Cotton Spinning Co., Ltd. This loan was repaid in full in December 2018 as scheduled. The Company recorded an interest income of \$88,926 and \$70,743 for the years ended December 31, 2018 and 2017, respectively.

NOTE 7 — PREPAID EXPENSES AND OTHER CURRENT ASSETS, NET

Prepaid expenses and other current assets consisted of the following:

| | December 31, 2018 | December 31, 2017 |
|--|------------------------------|------------------------------|
| Other receivable (1) | \$ 94,106 | \$ 62,329 |
| Interest receivable (2) | 163,502 | 77,589 |
| Others prepaid expenses (3) | 28,444 | 29,946 |
| Subtotal | 286,052 | 169,864 |
| Allowance for doubtful accounts | - | - |
| Prepaid expenses and other current assets, net | <u>\$ 286,052</u> | <u>\$ 169,864</u> |

- (1) Other receivable primarily include advances to employees for business development and rental security deposit for the Company’s headquarter office in Beijing.
- (2) In connection with the loan receivable as disclosed in Note 5, the Company accrued interest receivable of \$163,502 and \$77,589 as of December 31, 2018 and 2017. The interest receivable has been fully collected in February 2019.
- (3) Other prepaid expenses include prepaid advertising expense and prepaid utility expense, which are amortized over the service periods.

CHINA LIBERAL EDUCATION HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 — PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consist of the following:

| | December 31, 2018 | December 31, 2017 |
|--------------------------------|------------------------------|------------------------------|
| Office equipment and furniture | \$ 27,848 | \$ 21,311 |
| Electronic equipment | 70,964 | 37,654 |
| Transportation vehicles | 221,014 | 233,588 |
| Leasehold improvement | 78,127 | 43,126 |
| Subtotal | <u>397,953</u> | <u>335,679</u> |
| Less: accumulated depreciation | <u>(296,748)</u> | <u>(267,524)</u> |
| Property and equipment, net | <u><u>\$ 101,205</u></u> | <u><u>\$ 68,155</u></u> |

Depreciation expense was \$45,347 and \$46,649 for the years ended December 31, 2018 and 2017, respectively.

NOTE 9 — RELATED PARTY TRANSACTIONS

a. Due from a related party

On May 22, 2018, Xiamen Xinbaiyi Investment Group (“Xinbaiyi”), an entity related to the Company’s Board member and shareholder Mr. Ruenjie Lin, entered into a loan agreement with the Company to borrow RMB2.5 million (approximately \$363,499) as working capital for 10 months (from June 5, 2018 to February 28, 2019). The loan is non-interest bearing. Xinbaiyi repaid RMB2 million within 2018. The remaining balance of \$72,700 as of December 31, 2018 was received in February 2019.

b. Due to related parties

As of December 31, 2018 and 2017, the balance due to related parties are comprised of advances from the Company’s principal shareholders and used for working capital during the Company’s normal course of business. These advances are non-interest bearing and due on demand.

CHINA LIBERAL EDUCATION HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 — TAXES

(a) Corporate Income Taxes (“CIT”)

Cayman Island

Under the current tax laws of the Cayman Islands, the Company is not subject to tax on its income or capital gains. In addition, no Cayman Islands withholding tax will be imposed upon the payment of dividends by the Company to its shareholders.

BVI

Yi Xin BVI is incorporated in the BVI as an offshore holding company and is not subject to tax on income or capital gain under the laws of BVI.

Hong Kong

Boya Hong Kong is incorporated in Hong Kong and is subject to profit taxes in Hong Kong at a rate of 16.5%. However, Boya Hong Kong did not generate any assessable profits arising in or derived from Hong Kong for the fiscal years ended December 31, 2018 and 2017, and accordingly no provision for Hong Kong profits tax has been made in these periods.

PRC

Under the Enterprise Income Tax (“EIT”) Law of PRC, domestic enterprises and Foreign Investment Enterprises (the “FIE”) are usually subject to a unified 25% enterprise income tax rate while preferential tax rates, tax holidays and even tax exemption may be granted on case-by-case basis. EIT grants preferential tax treatment to High and New Technology Enterprises (“HNTEs”). Under this preferential tax treatment, HNTEs are entitled to an income tax rate of 15%, subject to a requirement that they re-apply for HNTE status every three years. China Liberal Beijing, the Company’s main operating subsidiary in PRC, was approved as a HNTE and is entitled to a reduced income tax rate of 15% beginning December 2016, which is valid for three years. EIT is typically governed by the local tax authority in PRC. Each local tax authority at times may grant tax holidays to local enterprises as a way to encourage entrepreneurship and stimulate local economy. The corporate income taxes for fiscal 2018 and 2017 were reported at a reduced rate of 15% as a result of China Liberal Beijing being approved as a HNTE. The impact of the tax holidays noted above decreased foreign taxes by \$105,864 and \$100,549 for the years ended December 31, 2018 and 2017, respectively. The benefit of the tax holidays on net income per share (basic and diluted) \$0.02 and \$0.02 for the years ended December 31, 2018 and 2017, respectively.

The components of the income tax provision are as follows:

| | For the year ended December 31, 2018 | For the year ended December 31, 2017 |
|------------------------|---|---|
| Current tax provision | | |
| Cayman | \$ - | \$ - |
| BVI | - | - |
| Hong Kong | - | - |
| PRC | 167,813 | 158,109 |
| | <u>\$ 167,813</u> | <u>\$ 158,109</u> |
| Deferred tax provision | | |
| Cayman | \$ - | \$ - |
| BVI | - | - |
| Hong Kong | - | - |
| PRC | - | - |
| | <u>-</u> | <u>-</u> |
| Income tax provision | <u>\$ 167,813</u> | <u>\$ 158,109</u> |

CHINA LIBERAL EDUCATION HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 — TAXES (continued)

(a) Corporate Income Taxes (“CIT”) (Continued)

The following table reconciles the China statutory rates to the Company’s effective tax rate for the years ended December 31, 2018 and 2017:

| | For the year ended December 31, 2018 | For the year ended December 31, 2017 |
|-------------------------------------|---|---|
| China Income tax statutory rate | 25.0% | 25.0% |
| Permanent difference | 0.4% | 0.3% |
| Effect of PRC preferential tax rate | (10.0)% | (10.0)% |
| Effective tax rate | <u>15.4%</u> | <u>15.3%</u> |

The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. As of December 31, 2018, the tax years ended December 31, 2014 through December 31, 2018 for the Company’s PRC Subsidiary remain open for statutory examination by PRC tax authorities.

(b) Taxes payable

Taxes payable consist of the following:

| | December 31, 2018 | December 31, 2017 |
|-------------------------|------------------------------|------------------------------|
| Income tax payable | \$ 14,744 | \$ 21,371 |
| Value added tax payable | 225,966 | 149,365 |
| Other taxes payable | 3,432 | 6,986 |
| Total taxes payable | <u>\$ 244,142</u> | <u>\$ 177,722</u> |

NOTE 11 — CONCENTRATIONS

A majority of the Company’s revenue and expense transactions are denominated in RMB and a significant portion of the Company and its subsidiaries’ assets and liabilities are denominated in RMB. RMB is not freely convertible into foreign currencies. In the PRC, certain foreign exchange transactions are required by law to be transacted only by authorized financial institutions at exchange rates set by the People’s Bank of China (“PBOC”). Remittances in currencies other than RMB by the Company in China must be processed through the PBOC or other China foreign exchange regulatory bodies which require certain supporting documentation in order to affect the remittance.

As of December 31, 2018 and 2017, \$2,077,146 and \$7,839 of the Company’s cash was on deposit at financial institutions in the PRC where there currently is no rule or regulation requiring such financial institutions to maintain insurance to cover bank deposits in the event of bank failure. For the years ended December 31, 2018 and 2017, the Company’s substantial assets were located in the PRC and the Company’s substantial revenues were derived from its subsidiaries located in the PRC.

For the year ended December 31, 2018, two customers accounted for approximately 44.2% and 37.1% of the Company’s total revenue, respectively. For the year ended December 31, 2017, two customers accounted for approximately 55.2% and 31.3% of the Company’s total revenue, respectively.

As of December 31, 2018, one customer accounted for 81.0% of the total accounts receivable balance. As of December 31, 2017, two customers accounted for 59.4% and 33.6% of the total outstanding accounts receivable balance, respectively.

For the year ended December 31, 2018, two suppliers accounted for approximately 21.2% and 12.2% of the total purchases, respectively. For the year ended December 31, 2017, four suppliers accounted for approximately 38.1%, 16.1%, 11.9% and 11.2% of the total purchases, respectively.

CHINA LIBERAL EDUCATION HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 — SHAREHOLDERS' EQUITY

Ordinary Shares

China Liberal is an excepted company established under the laws of the Cayman Island on February 25, 2019. The original authorized number of ordinary shares was 50,000 shares with par value of US\$1.00 per share and 1,000 ordinary shares were issued. On July 8, 2019, the Company amended its Memorandum of Association to subdivide the authorized shares from 50,000 shares at par value of \$1.00 per share to 50,000,000 shares of ordinary shares with par value of \$0.001 per share, and subdivide the already issued 1,001 shares to 1,001,000 shares at par value of \$0.001 per share. On July 15, 2019, the Company issued additional 3,999,000 shares of ordinary shares with par value of \$0.001 per share to current shareholders. As a result, there are total 5,000,000 share issued and outstanding. The issuance of these 5,000,000 ordinary shares is considered as a part of the Reorganization of the Company, which was retroactively applied as if the transaction occurred at the beginning of the period presented (see Note 1).

Recapitalization

In 2018, in order to expand business scopes, which requires a significant increase in paid-in capital in accordance with Chinese rules and regulations, the Company's major operating entity, China Liberal Beijing, converted its accumulated retained earnings of \$2,935,589 as of December 31, 2018 into additional paid-in capital. China Liberal Beijing completed the compliance filing in December 2018 to reflect this recapitalization.

Non-controlling interest

Non-controlling interests represent five minority shareholders' 8.8228% ownership interests in the Company's subsidiary China Liberal Beijing.

The following table reconciles the non-controlling interest as of December 31, 2018 and 2017:

| | Total |
|--|-------------------|
| As of December 31, 2016 | \$ - |
| Capital contribution by non-controlling shareholders | 453,669 |
| Net income attributable to non-controlling interest | 5,800 |
| Foreign currency translation gain | 198 |
| As of December 31, 2017 | \$ 459,667 |
| Net income attributable to non-controlling interest | 81,779 |
| Foreign currency translation loss | (22,871) |
| As of December 31, 2018 | \$ 518,575 |

Statutory reserve and restricted net assets

The Company's PRC subsidiary is restricted in its ability to transfer a portion of its net assets to the Company. The payment of dividends by entities organized in China is subject to limitations, procedures and formalities. Regulations in the PRC currently permit payment of dividends only out of accumulated profits as determined in accordance with accounting standards and regulations in China.

The Company is required to make appropriations to certain reserve funds, comprising the statutory surplus reserve and the discretionary surplus reserve, based on after-tax net income determined in accordance with generally accepted accounting principles of the PRC ("PRC GAAP"). Appropriations to the statutory surplus reserve are required to be at least 10% of the after-tax net income determined in accordance with PRC GAAP until the reserve is equal to 50% of the entity's registered capital. Appropriations to the discretionary surplus reserve are made at the discretion of the Board of Directors. The statutory reserve may be applied against prior year losses, if any, and may be used for general business expansion and production or increase in registered capital, but are not distributable as cash dividends.

Relevant PRC laws and regulations restrict the Company's PRC subsidiary from transferring a portion of its net assets, equivalent to its statutory reserves and its share capital, to the Company in the form of loans, advances or cash dividends. Only PRC entities' accumulated profits may be distributed as dividends to the Company without the consent of a third party. As of December 31, 2018 and 2017, the restricted amounts as determined pursuant to PRC statutory laws totaled \$294,158 and \$201,468, respectively, and total restricted net assets amounted to \$4,877,274 and \$1,848,995, respectively.

CHINA LIBERAL EDUCATION HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13 — COMMITMENTS

The Company's main operating subsidiary, China Liberal Beijing, leases office spaces for its headquarter office and local branches under non-cancelable operating lease agreements with various expiration dates between 2019 and 2022. Rent expense for the years ended December 31, 2018 and 2017 was \$271,585 and \$229,525, respectively.

As of December 31, 2018, the Company was obligated under operating leases for minimum rentals as follows:

For the Twelve Months Ended December 31,

| | | |
|------|-----------|----------------|
| 2019 | \$ | 305,808 |
| 2020 | | 282,364 |
| 2021 | | 277,078 |
| 2022 | | 110,466 |
| | <u>\$</u> | <u>975,716</u> |

NOTE 14 — SEGMENT REPORTING

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, and is identified on the basis of the internal financial reports that are provided to and regularly reviewed by the Company's chief operating decision maker in order to allocate resources and assess performance of the segment.

In accordance with ASC 280, Segment Reporting, operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM"), or decision making group, in deciding how to allocate resources and in assessing performance. The Company uses the "management approach" in determining reportable operating segments. The management approach considers the internal organization and reporting used by the Company's chief operating decision maker for making operating decisions and assessing performance as the source for determining the Company's reportable segments. Management, including the chief operating decision maker, reviews operation results by the revenue of different services. Based on management's assessment, the Company has determined that it has four operating segments as defined by ASC 280, including Sino-foreign Jointly Managed Academic Programs, textbooks and course material sales, Overseas Study Consulting Services and Technological Consulting Services for Smart Campus Solutions.

Substantially all of the Company's revenues for the years ended December 31, 2018 and 2017 were generated from the PRC. As of December 31, 2018 and 2017, a majority of the long-lived assets of the Company are located in the PRC, and therefore, no geographical segments are presented.

The following table presents summary information by segment for the years ended December 31, 2018 and 2017, respectively:

| | For the year ended December 31, 2018 | | | | |
|-------------------------------|---|-----------------------|--|--|-------------------|
| | Joint education programs | Textbook sales | Overseas study consulting | Technological consulting for "smart campus" solutions | Total |
| Revenue | \$ 2,410,781 | \$ 29,717 | \$ 547,521 | \$ 1,820,974 | \$ 4,808,993 |
| Cost of revenue | 1,155,854 | 19,687 | 64,321 | 1,462,435 | 2,702,297 |
| Gross profit | <u>1,254,927</u> | <u>10,030</u> | <u>483,200</u> | <u>358,539</u> | <u>2,106,696</u> |
| Operating expenses | 661,642 | 2,765 | 383,688 | 235,465 | 1,283,560 |
| Income from operation | <u>593,285</u> | <u>7,265</u> | <u>99,512</u> | <u>123,074</u> | <u>823,136</u> |
| Depreciation and amortization | 22,733 | - | 5,443 | 17,171 | 45,347 |
| Capital expenditure | <u>41,867</u> | <u>-</u> | <u>10,024</u> | <u>31,624</u> | <u>83,515</u> |
| Total assets | 2,991,601 | - | 716,310 | 2,259,694 | 5,967,605 |
| Total liabilities | <u>\$ 358,949</u> | <u>\$ -</u> | <u>\$ 85,947</u> | <u>\$ 271,130</u> | <u>\$ 716,026</u> |

For the year ended December 31, 2017

| | Joint education programs | Textbook sales | Study abroad consulting | Technological consulting for smart campus project | Total |
|-------------------------------|---|-----------------------|------------------------------------|--|-------------------|
| Revenue | \$ 2,821,602 | \$ 52,345 | \$ 60,947 | \$ 950,992 | \$ 3,885,886 |
| Cost of revenue | 1,175,646 | 46,532 | 49,765 | 889,379 | 2,161,322 |
| Gross profit | <u>1,645,956</u> | <u>5,813</u> | <u>11,182</u> | <u>61,613</u> | <u>1,724,564</u> |
| Operating expenses | 883,156 | 1,055 | 10,049 | 55,926 | 950,186 |
| Income from operation | <u>762,800</u> | <u>4,758</u> | <u>1,133</u> | <u>5,687</u> | <u>774,378</u> |
| Depreciation and amortization | 33,873 | - | 1,360 | 11,416 | 46,649 |
| Capital expenditure | <u>8,047</u> | <u>-</u> | <u>1,306</u> | <u>-</u> | <u>9,353</u> |
| Total assets | <u>3,740,479</u> | <u>-</u> | <u>150,186</u> | <u>1,260,689</u> | <u>5,151,354</u> |
| Total liabilities | <u>\$ 464,976</u> | <u>\$ -</u> | <u>\$ 18,670</u> | <u>\$ 156,715</u> | <u>\$ 640,361</u> |

NOTE 15 — SUBSEQUENT EVENTS

On February 1, 2019, Boya Hong Kong entered into share transfer agreements with each of the non-controlling shareholders of China Liberal Beijing and completed the acquisition of the 8.8228% non-controlling interest in China Liberal Beijing, for a total price of RMB 2.95 million (approximately \$453,669). After this transaction, China Liberal Beijing became a 100% owned subsidiary of Boya Hong Kong. In accordance with ASC 810 “Consolidation,” changes in a parent’s ownership while the parent retains its controlling financial interest in its subsidiary should be accounted for as an equity transaction. Therefore, no gain or loss is expected to be recognized from this transaction.

On July 8, 2019, the Company amended its Memorandum of Association to subdivide the authorized shares from 50,000 shares at par value of \$1.00 per share to 50,000,000 shares of ordinary shares with par value of \$0.001 per share, and subdivide the already issued 1,001 shares to 1,001,000 shares at par value of \$0.001 per share. On July 15, 2019, the Company issued additional 3,999,000 shares of ordinary shares with par value of \$0.001 per share to current shareholders. As a result, there are total 5,000,000 share issued and outstanding (see Note 12).

NOTE 16 — CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY

Pursuant to the requirements of Rule 12-04(a), 5-04(c) and 4-08(e)(3) of Regulation S-X, the condensed financial information of the parent company shall be filed when the restricted net assets of consolidated subsidiaries exceed 25 percent of consolidated net assets as of the end of the most recently completed fiscal year. The Company performed a test on the restricted net assets of consolidated subsidiaries in accordance with such requirement and concluded that it was applicable to the Company as the restricted net assets of the Company’s PRC subsidiary exceeded 25% of the consolidated net assets of the Company, therefore, the condensed financial statements for the parent company are included herein.

For purposes of the above test, restricted net assets of consolidated subsidiaries shall mean that amount of the Company’s proportionate share of net assets of consolidated subsidiaries (after intercompany eliminations) which as of the end of the most recent fiscal year may not be transferred to the parent company by subsidiaries in the form of loans, advances or cash dividends without the consent of a third party.

The condensed financial information of the parent company has been prepared using the same accounting policies as set out in the Company’s consolidated financial statements except that the parent company used the equity method to account for investment in its subsidiaries. Such investment is presented on the condensed balance sheets as “Investment in subsidiaries” and the respective profit or loss as “Equity in earnings of subsidiaries” on the condensed statements of income.

The footnote disclosures contain supplemental information relating to the operations of the Company and, as such, these statements should be read in conjunction with the notes to the consolidated financial statements of the Company. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S GAAP have been condensed or omitted.

The Company did not pay any dividend for the periods presented. As of December 31, 2018 and 2017, there were no material contingencies, significant provisions for long-term obligations, or guarantees of the Company, except for those which have been separately disclosed in the consolidated financial statements, if any.

CHINA LIBERAL EDUCATION HOLDINGS LIMITED
PARENT COMPANY BALANCE SHEETS

| | | As of December 31, | |
|--|--|---------------------------|--------------|
| | | 2018 | 2017 |
| ASSETS | | | |
| Non-current assets | | | |
| Investment in subsidiaries | | \$ 4,733,004 | \$ 4,610,993 |
| Total assets | | \$ 4,733,004 | \$ 4,610,993 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| LIABILITIES | | | |
| | | \$ - | \$ - |
| COMMITMENTS AND CONTINGENCIES | | | |
| SHAREHOLDERS' EQUITY | | | |
| Ordinary shares, \$0.001 par value, 50,000,000 shares authorized, 5,000,000 shares issued and outstanding as of December 31, 2018 and 2017 | | 5,000 | 5,000 |
| Additional paid-in capital | | 4,579,116 | 1,643,527 |
| Retained earnings | | 383,125 | 2,476,053 |
| Accumulated other comprehensive income (loss) | | (234,237) | 26,746 |
| Total shareholders' equity | | 4,733,004 | 4,151,326 |
| Total liabilities and shareholders' equity | | \$ 4,733,004 | \$ 4,151,326 |

CHINA LIBERAL EDUCATION HOLDINGS LIMITED
PARENT COMPANY STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

| | For the Years Ended | |
|--|------------------------------|------------------------------|
| | December 31, 2018 | December 31, 2017 |
| EQUITY IN EARNINGS OF SUBSIDIARIES | \$ 842,661 | \$ 869,006 |
| NET INCOME | 842,661 | 869,006 |
| FOREIGN CURRENCY TRANSLATION ADJUSTMENTS | (156,333) | 244,234 |
| COMPREHENSIVE INCOME ATTRIBUTABLE TO THE COMPANY | <u>\$ 686,328</u> | <u>\$ 1,113,240</u> |

CHINA LIBERAL EDUCATION HOLDINGS LIMITED
PARENT COMPANY STATEMENTS OF CASH FLOWS

| | For the Years Ended | |
|--|------------------------------|------------------------------|
| | December 31, 2018 | December 31, 2017 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | \$ 842,661 | \$ 869,006 |
| Adjustments to reconcile net cash flows from operating activities: | | |
| Equity in earnings of subsidiary | (842,661) | (869,006) |
| Net cash used in operating activities | - | - |
| CHANGES IN CASH | - | - |
| CASH, beginning of year | - | - |
| CASH, end of year | \$ - | \$ - |

1,166,667 Ordinary Shares



China Liberal Education Holdings Limited

Prospectus dated [], 2019

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

**SUBJECT TO COMPLETION,
PRELIMINARY PROSPECTUS DATED AUGUST 5, 2019**

China Liberal Education Holdings Limited



66,666 Ordinary Shares

This prospectus relates to the resale of 66,666 Ordinary Shares of the Company by the selling shareholder named in this prospectus.

Prior to this offering, there has been no public market for our Ordinary Shares. The selling shareholder agreed not to offer or sell the resale shares until up to 12 months after the closing of the primary offering and listing of the Ordinary Shares on NASDAQ, at which time the selling shareholder will be able sell at prevailing market prices or privately negotiated prices. We have reserved the symbol "CLEU" for purposes of listing our Ordinary Shares on NASDAQ and plan to apply to list our Ordinary Shares on NASDAQ. There is no guarantee or assurance that our Ordinary Shares will be approved for listing on NASDAQ. We will not receive any proceeds from the sale of shares by the selling shareholder.

Investing in our Ordinary Shares involves a high degree of risk, including the risk of losing your entire investment. See "Risk Factors" beginning on page 8 to read about factors you should consider before buying our Ordinary Shares.

Neither the Securities and Exchange Commission nor any state securities commission nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2019

THE OFFERING

| | |
|--|---|
| Ordinary Shares offered by us | 0 ordinary shares |
| Ordinary Shares offered by the selling shareholder | 66,666 ordinary shares |
| Ordinary Shares outstanding prior to the completion of this Offering | 5,000,000 ordinary shares |
| Ordinary Shares Outstanding Immediately After the Offering | 5,000,000 ordinary shares ⁽¹⁾ |
| Use of Proceeds | We will not receive any of the proceeds from the sale of the Ordinary Shares by the selling shareholder named in this prospectus. |

(1) Assumes no issuance by us of our Ordinary Shares pursuant to the Public Offering Prospectus filed contemporaneously herewith.

USE OF PROCEEDS

We will not receive any of the proceeds from the sale of the Ordinary Shares by the selling shareholder named in this prospectus.

SELLING SHAREHOLDER

The following table sets forth certain information with respect to the selling shareholder's beneficial ownership of our Ordinary Shares as of the date of this prospectus. Although there was no agreement between the Company and the shareholders to register these shares, the Company believes the registration of these shares is beneficial to the Company.

Percentage of beneficial ownership before this offering is based on 5,000,000 ordinary shares outstanding as of July 31, 2019. We have determined beneficial ownership in accordance with the rules of the SEC. Beneficial ownership is based on information furnished by the selling shareholder. Unless otherwise indicated, the selling shareholder named in the following table have, to our knowledge, sole voting and investment power with respect to the shares beneficially owned by them.

Selling shareholder has not have any position, office or other material relationship within past three years with the Company. The selling shareholder is not a broker dealer or an affiliate of a broker dealer. The selling shareholder does not have an agreement or understanding to distribute any of the shares being registered. The selling shareholder may offer for sale from time to time any or all of the shares, subject to the lock up agreement described in the "Plan of Distribution." The table below assumes that the selling shareholder will sell all of the shares offered for sale hereby. The selling shareholder is under no obligation to sell any shares pursuant to this prospectus.

| Selling Shareholder | Ordinary Shares Beneficially Owned Before this Offering | Percentage of Ordinary Shares Beneficially Owned Before Offering | Ordinary Shares Offered for Resale Pursuant to this Offering | Ordinary Shares Beneficially Owned After this Offering | Percentage of Ordinary Shares Beneficially Owned After this Offering |
|---|--|---|---|---|---|
| Trophy Plus Global Limited ⁽¹⁾ | 244,755 | 4.8951% | 66,666 | 178,089 | 2.8879% |

(1) Kung, Sau Kwan, who is the 100% owner of Trophy Plus Global Limited, has the voting and investment control over these shares.

SELLING SHAREHOLDER PLAN OF DISTRIBUTION

Since there is currently no public market established for our securities, the selling shareholder has represented to the Company and Underwriter that they will not offer or sell shares prior to the closing of the primary offering and listing of the Ordinary Shares on NASDAQ. After the primary offering closes, our Ordinary Shares are listed on the Nasdaq Capital Market and there is an established market for these resale shares, the selling shareholder may sell the resale shares from time to time at the market price prevailing on the Nasdaq Capital Market at the time of offer and sale, or at prices related to such prevailing market prices or in negotiated transactions or a combination of such methods of sale directly or through brokers.

The selling shareholder may use any one or more of the following methods when disposing of shares or interests therein:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent, but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- short sales effected after the date the registration statement of which this Prospectus is a part is declared effective by the SEC;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- broker-dealers may agree with the selling shareholder to sell a specified number of such shares at a stipulated price per share; and
- a combination of any such methods of sale.

The selling shareholder may, from time to time, pledge or grant a security interest in some or all of the Ordinary Shares owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the Ordinary Shares, from time to time, under this prospectus, or under an amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act amending the list of selling shareholder to include the pledgee, transferee or other successors in interest as selling shareholder under this prospectus. The selling shareholder also may transfer the securities in other circumstances, in which case the transferees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

In connection with the sale of our Ordinary Shares or interests therein, the selling shareholder may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the Ordinary Shares in the course of hedging the positions they assume. The selling shareholder may also sell shares of our Ordinary Shares short and deliver these securities to close out their short positions, or loan or pledge the Ordinary Shares to broker-dealers that in turn may sell these securities. The selling shareholder may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The aggregate proceeds to the selling shareholder from the sale of the Ordinary Shares offered by them will be the purchase price of the Ordinary Shares less discounts or commissions, if any. The selling shareholder reserves the right to accept and, together with their agents from time to time, to reject, in whole or in part, any proposed purchase of Ordinary Shares to be made directly or through agents. We will not receive any of the proceeds from this offering.

Broker-dealers engaged by the selling shareholder may arrange for other broker-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the selling shareholder (or, if any broker-dealer acts as agent for the purchase of shares, from the purchaser) in amounts to be negotiated. The selling shareholder does not expect these commissions and discounts to exceed what is customary in the types of transactions involved, and in no case will the maximum compensation received by any broker-dealer exceed seven percent (7%).

The selling shareholder also may resell all or a portion of the shares in open market transactions in reliance upon Rule 144 under the Securities Act, provided that they meet the criteria and conform to the requirements of that rule.

Any underwriters, agents, or broker-dealers, and any selling shareholders who are affiliates of broker-dealers, that participate in the sale of the Ordinary Shares or interests therein may be “underwriters” within the meaning of Section 2(11) of the Securities Act. Any discounts, commissions, concessions or profit they earn on any resale of the shares may be underwriting discounts and commissions under the Securities Act. The selling shareholders who are “underwriters” within the meaning of Section 2(11) of the Securities Act will be subject to the prospectus delivery requirements of the Securities Act. We know of no existing arrangements between any of the selling shareholder and any other shareholder, broker, dealer, underwriter, or agent relating to the sale or distribution of the shares, nor can we presently estimate the amount, if any, of such compensation. See “Selling shareholder” for description of any material relationship that a shareholder has with us and the description of such relationship.

To the extent required, our Ordinary Shares to be sold, the name of the selling shareholder, the respective purchase prices and public offering prices, the names of any agents, dealer or underwriter, any applicable commissions or discounts with respect to a particular offer will be set forth in an accompanying prospectus supplement or, if appropriate, a post-effective amendment to the registration statement that includes this prospectus.

In order to comply with the securities laws of some states, if applicable, the Ordinary Shares may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in some states the Ordinary Shares may not be sold unless it has been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with.

We have advised the selling shareholder that the anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of shares in the market and to the activities of the selling shareholder and its affiliates. In addition, we will make copies of this prospectus (as it may be supplemented or amended from time to time) available to the selling shareholder for the purpose of satisfying the prospectus delivery requirements of the Securities Act. The selling shareholder may indemnify any broker-dealer that participates in transactions involving the sale of the shares against certain liabilities, including liabilities arising under the Securities Act.

LEGAL MATTERS

The validity of the Ordinary Shares offered in this offering and certain other legal matters as to Cayman Islands law will be passed upon for us by Campbells. Legal matters as to PRC law will be passed upon for us by Tian Yuan Law Firm.

66,666 Ordinary Shares



China Liberal Education Holdings Limited

Prospectus dated [], 2019

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

To the extent permitted by law, we may make a payment, or agree to make a payment, whether by way of advance, loan or otherwise, for any legal costs incurred by an existing or former secretary or any of our officers in respect of any matter identified in above on condition that the secretary or officer must repay the amount paid by us to the extent that it is ultimately found not liable to indemnify the secretary or that officer for those legal costs.

Pursuant to indemnification agreements, the form of which will be filed as Exhibit 10.01 to this Registration Statement, we will agree to indemnify our directors and officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being such a director or officer.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

ITEM 7. RECENT SALES OF UNREGISTERED SECURITIES.

Unless otherwise indicated, all share amounts and per share amounts in this prospectus have been presented on an actual basis to reflect the reorganization of the outstanding shares of our ordinary shares effected on March 25, 2019. For detailed description, see “Principal Shareholders –History of Share Capital.”

In March 2019, China Liberal, Yi Xin BVI and Yi Xin BVI’s sole shareholder (the “Yi Xin BVI Shareholder”) entered into a Sale and Purchase Agreement, whereby the Yi Xin BVI Shareholder sold 100% of the equity interests of Yi Xin BVI to China Liberal in consideration of one Ordinary Share of China Liberal being issued to Ever Alpha Global Limited, a BVI company wholly owned by the Yi Xin BVI Shareholder. After this transaction, China Liberal became the wholly-owned parent of Yi Xin BVI.

We believe that each of the above issuances was exempt from registration under the Securities Act in reliance on Regulation S under the Securities Act regarding sales by an issuer in offshore transactions, or pursuant to Section 4(a)(2) of the Securities Act regarding transactions not involving a public offering.

ITEM 8. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits

See Exhibit Index attached to this registration statement, which is incorporated by reference herein.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the Consolidated Financial Statements or the Notes thereto.

ITEM 9. UNDERTAKINGS.

The undersigned registrant hereby undertakes to provide to the Underwriter at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the Underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant under Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) For the purpose of determining liability under the Securities Act to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(4) For the purpose of determining any liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Beijing, People's Republic of China, August 5, 2019.

China Liberal Education Holdings Limited

By: /s/ Jianxin Zhang
Jianxin Zhang
Chief Executive Officer,
Chairman of the Board of Directors
(Principal Executive Officer)

/s/ Wenhui Zhuang
Wenhui Zhuang
Chief Financial Officer
(Principal Accounting and Financial Officer)

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

| <u>Signature</u> | <u>Title</u> | <u>Date</u> |
|---|--|----------------|
| <u>/s/ Jianxin Zhang</u> Name: Jianxin Zhang | Chief Executive Officer, Chairman of the Board and Director (Principal Executive Officer) | August 5, 2019 |

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act of 1933 as amended, the undersigned, the duly authorized representative in the United States of America, has signed this registration statement thereto in New York, NY on August 5, 2019.

Hunter Taubman Fischer & Li LLC

By: /s/ Ying Li

Name: Ying Li

Title: Partner and Member

EXHIBIT INDEX

| Exhibit No. | Description |
|-------------|--|
| 1.1 | Form of Underwriting Agreement* |
| 3.1 | Amended and Restated Articles of Association dated July 29, 2019* |
| 3.2 | Amended and Restated Memorandum of Association dated July 29, 2019* |
| 4.1 | Specimen Certificate for Ordinary Shares* |
| 4.2 | Form of Ordinary Share Purchase Warrant* |
| 5.1 | Form of Opinion of Campbells regarding the validity of the Ordinary Shares being registered* |
| 8.1 | Opinion of Tian Yuan Law Firm regarding certain PRC tax matters (included in Exhibit 99.2) |
| 10.1 | Form of Employment Agreement between the Registrant and the executive officers of the Registrant* |
| 10.2 | Form of Indemnification Agreement with the Registrant's directors and officers* |
| 10.3 | Sale and Purchase Agreement among China Liberal, Yi Xin BVI and Ngai Ngai Lam dated March 2019* |
| 10.4 | Unofficial English Translation of Lease Agreement with Beijing Sino-U.S. Star International Film & Television Culture Media Co., Ltd. dated May 20, 2018* |
| 10.5 | Unofficial English Translation of Lease Agreement with Beijing Shangbao Art Development Co., Ltd. dated April 19, 2018* |
| 10.6 | Unofficial English Translation of Lease Agreement with Zhuoguan Chen, dated July 20, 2018* |
| 10.7 | Unofficial English Translation of Lease Agreement with Shandong Jinwufuri Culture Media Co., Ltd. for Commencement of the Lease on August 1, 2018* |
| 10.8 | Unofficial English Translation of Lease Agreement with Beijing Zhumengcheng Information Technology Co., Ltd., dated November 26, 2018* |
| 10.9 | Unofficial English Translation of the FMP EAP Program Agreement with Fuzhou Melbourne Polytechnic, dated June 15, 2016, with One Amendment dated December 15, 2017* |
| 10.10 | Unofficial English Translation of the Fu-Tai EAP Program Agreement with Strait College, dated June 15, 2016* |
| 10.11 | Unofficial English Translation of the IGEC Program Agreement with Strait College, dated July 8, 2013, with Two Amendments dated May 21, 2015 and November 16, 2017, respectively* |
| 10.12 | Unofficial English Translation of the ISEC Agreement with Fujian University of Technology, dated December 2012, with One Amendment dated May 15, 2014* |
| 10.13 | Unofficial English Translation of the NZTC Program Agreement with Fujian Preschool Education College, dated August 1, 2016* |
| 10.14 | Unofficial English Translation of the Smart Campus Agreement with Fuzhou Melbourne Polytechnic, dated August 29, 2017, with One Amendment dated December 18, 2018* |
| 10.15 | Form of One-on-One Consultancy Agreement* |
| 10.16 | Unofficial English Translation of the Cooperation Agreement on German Language Program with the School of Continuing Education of Beijing Foreign Studies University dated January 22, 2019* |
| 10.17 | Unofficial English Translation of the Cooperation Agreement with China Academy of Art dated November 9, 2018* |
| 10.18 | Unofficial English Translation of the Recruitment and Training Agreement with Beijing Quanzhong Xiangqian Technology Co., Ltd. effective as of January 1, 2019* |
| 10.19 | Unofficial English Translation of the Project Cooperation Agreement with Bridge School S.R.I. dated November 28, 2017* |
| 21.1 | Subsidiaries* |
| 23.1 | Form of Consent of Friedman LLP* |
| 23.2 | Form of Consent of Campbells (included in Exhibit 5.1) |
| 23.3 | Consent of Tian Yuan Law Firm (included in Exhibit 99.2) |
| 99.1 | Code of Business Conduct and Ethics of the Registrant* |
| 99.2 | Opinion of Tian Yuan Law Firm, People's Republic of China counsel to the Registrant, regarding certain PRC law matters* |
| 99.3 | Consent of Ngo Yin Tsang* |
| 99.4 | Consent of David Sherman* |
| 99.5 | Consent of Joseph Levinson* |
| 99.6 | Consent of Nan Hu* |
| 99.7 | Consent of Frost & Sullivan* |

* Filed herewith.

CHINA LIBERAL EDUCATION HOLDINGS LIMITED
UNDERWRITING AGREEMENT

[_____], 2019

Boustead Securities, LLC
6 Venture, Suite 265
Irvine, CA 92618
Attn: Keith Moore, Chief Executive Officer
Attn: Daniel J. McClory, Managing Director

Ladies and Gentlemen:

This underwriting agreement (this “**Agreement**”) constitutes the agreement between **China Liberal Education Holdings Limited**, a Cayman Island exempted company (collectively with its subsidiaries and affiliates, including, without limitation, all entities disclosed or described in the Registration Statement (as hereafter defined) as being subsidiaries or affiliates of the Company, the “**Company**”), on the one hand, and **Boustead Securities, LLC** (the “**Underwriter**”), on the other hand, pursuant to which the Underwriter shall serve as the underwriter for the Company in connection with the proposed offering (the “**Offering**”) by the Company of its Offered Securities (as defined below).

The Company proposes, subject to the terms and conditions stated herein, to issue and sell to the Underwriter an aggregate of 1,166,667 authorized but unissued ordinary shares (the “**Underwritten Shares**”), par value \$0.001 per share (the “**Ordinary Shares**”), of the Company, and to grant the Underwriter the option to purchase an aggregate of up to 175,000 additional Ordinary Shares (the “**Additional Shares**”) as may be necessary to cover over-allotments made in connection with the Offering. The Underwritten Shares and Additional Shares are collectively referred to as the “**Shares**” or the “**Offered Securities**.” The Offered Securities and the Underwriter’s Warrant (as defined below) are herein collectively referred to as the “**Securities**.”

The Company hereby confirms its agreement with the Underwriter as follows:

Section 1. Agreement to Act as Underwriter.

(a) Underwriting Discount; Underwriter’s Warrants; Expenses.

(i) Underwriting Discount. An underwriting discount equal to 7% of the gross proceeds from the sale of the Offered Securities at a Closing, which will be paid to and allocated by the Underwriter among the selling syndicate and soliciting dealers in its sole discretion, if applicable.

(ii) Underwriter’s Warrants. The Company hereby agrees to issue to the Underwriter (and/or its designees) on a Closing Date, as defined in Section 3(c) herein, a warrant to purchase a number of Shares equal to 7% of the gross proceeds on a Closing Date for the Offered Securities divided by the Purchase Price (“**Underwriter’s Warrant**”). The Underwriter’s Warrant, in the form attached hereto as Exhibit A, shall be exercisable, in whole or in part, commencing on the Effective Date and expiring on the five-year anniversary from the date of issuance at an initial exercise price equal to the Purchase Price of the Offered Securities. The Underwriter’s Warrant shall include a “cashless” exercise feature. The Underwriter understands and agrees that there are significant restrictions pursuant to FINRA Rule 5110 against transferring the Underwriter’s Warrant and the underlying shares of ordinary shares during the one hundred eighty (180) days after the Effective Date and by its acceptance thereof shall agree that it will not sell, transfer, assign, pledge or hypothecate the Underwriter’s Warrant, or any portion thereof, or be the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of such securities for a period of one hundred eighty (180) days following the Effective Date to anyone other than the circumstances listed under FINRA Rule 5110(g)(2).

Delivery of the Underwriter’s Warrant shall be made on a Closing Date and shall be issued in the name or names and in such authorized denominations as the Underwriter may request.

(iii) Expenses. Whether or not the transactions contemplated by this Agreement and the Registration Statement are consummated or this Agreement is terminated, the Company hereby agrees to pay all costs and expenses incident to the Offering, including the following:

- A. all expenses in connection with the preparation, printing, formatting for EDGAR and filing of the Registration Statement, and any and all amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriter and dealers;
- B. all fees and expenses in connection with filings with FINRA's Public Offering System;
- C. all fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Offered Securities under the Securities Act of 1933, as amended (the "**Securities Act**") and the Offering;
- D. all reasonable expenses in connection with the qualifications of the Offered Securities for offering and sale under state or blue sky laws, when applicable;
- E. all fees and expenses in connection with listing the Offered Securities on the Nasdaq Stock Market ("**NASDAQ**");
- F. all reasonable travel expenses of the Company's officers, directors and employees and any other expense of the Company or the Underwriter incurred in connection with attending or hosting meetings with prospective purchasers of the Offered Securities;
- G. any stock transfer taxes incurred in connection with this Agreement or the Offering;
- H. [Intentionally Omitted.]
- I. the cost and charges of any transfer agent or registrar for the Offered Securities;
- J. Underwriter's counsel's fees up to \$100,000 and third-party due diligence expenses up to \$75,000. The Company has paid to the Underwriter a total of \$110,250 of which \$40,000 was for reimbursement for the actual legal and due diligence expenses incurred and \$50,000 is an advance against future expenses. Any unused portion will be returned to the Company to the extent not actually incurred.

In the event that this Agreement is terminated pursuant to Section 9 hereof, or subsequent to a Material Adverse Change, the Company will pay all documented out-of-pocket and unreimbursed expenses of the Underwriter (including but not limited to fees and disbursements of Underwriter's counsel, expenses associated with a due diligence report and reasonable travel specified in Sections 1(a)(iii)(F), and (J)) incurred in connection herewith which shall be limited to expenses which are actually incurred as allowed under FINRA Rule 5110 and in any event, the aggregate amount of such expenses to be paid or reimbursed by the Company directly or indirectly to or on behalf of the Underwriter shall not exceed \$271,000.

(b) Exclusivity. The term of the Underwriter's exclusive engagement will be until the later of (i) six months from the final Closing of the Offering in accordance with the Registration Statement and (ii) the termination of the engagement agreement by and between the Company and the Underwriter dated March 21, 2019 (the "**Boustead Engagement Letter**"), as extended pursuant to Section 15(a) of this Agreement. Notwithstanding anything to the contrary contained herein, the provisions concerning confidentiality, indemnification and contribution contained herein will survive any expiration or termination of this Agreement, and the Company's obligation to pay fees actually earned and payable and to reimburse expenses actually incurred and reimbursable pursuant to Section 1 hereof and which are permitted to be reimbursed under FINRA Rule 5110(f)(2)(D), will survive any expiration or termination of this Agreement. Nothing in this Agreement shall be construed to limit the ability of the Underwriter or its Affiliates to pursue, investigate, analyze, invest in, or engage in investment banking, financial advisory or any other business relationship with Persons (as defined below) other than the Company. As used herein (i) "Persons" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind and (ii) "Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person as such terms are used in and construed under Rule 405 under the Securities Act. The Underwriter shall be entitled to a Success Fee(s) (as defined in the Engagement Letter) during the two (2) year period following the termination or expiration of the Engagement Letter if the Company completes a Transaction (as defined in the Engagement Letter) with a party, which became aware of the Company or which became known to the Company prior to such termination or expiration, and or which completed a Transaction, including the IPO, with the Company.

Section 2. Representations, Warranties and Covenants of the Company. The Company hereby represents, warrants and covenants to the Underwriter, as of the date hereof, and as of the Closing Date, except as set out in the Registration Statement as follows:

(a) Securities Law Filings. The Company has filed with the Securities and Exchange Commission (the “**Commission**”) a registration statement on Form F-1 (Registration File No. 333-[●]¹) under the Securities Act and the rules and regulations (the “**Rules and Regulations**”) of the Commission promulgated thereunder. At the time of the Effective Date, the Registration Statement and amendments will materially meet the requirements of Form F-1 under the Securities Act. The Company will file with the Commission pursuant to Rules 430A and 424(b) under the Securities Act, a final prospectus included in such registration statement relating to the Offering and the underwriting thereof and has advised the Underwriter of all further information (financial and other) with respect to the Company required to be set forth therein. Such registration statement, including the exhibits thereto, as amended at the date of this Agreement, is hereinafter called the “Registration Statement”; such prospectus in the form in which it appears in the Registration Statement as amended at the date of this Agreement is hereinafter called the “Prospectus.” All references in this Agreement to financial statements and schedules and other information that is “contained,” “included,” “described,” “referenced,” “set forth” or “stated” in the Registration Statement or the Prospectus (and all other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information that is or is deemed to be incorporated by reference in the Registration Statement or the Prospectus, as the case may be. The Registration Statement has been declared effective on the date hereof. The Company shall, prior to the Closing, file with the Commission a Form 8-A providing for the registration under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), of the Securities.

(b) Assurances. The Registration Statement (and any further documents to be filed with the Commission) contains all exhibits and schedules as required by the Securities Act. Each of the Registration Statement and any post-effective amendment thereto, at the time it became effective, at all other subsequent times until the Closing and at the Closing Date, complied in all material respects with the Securities Act and the applicable Rules and Regulations and did not and, as amended or supplemented, if applicable, will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (provided, however, that the preceding representations and warranties contained in this sentence shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by the Underwriter expressly for use therein (the “**Underwriter Information**”). The Prospectus, as of its date, complies in all material respects with the Securities Act and the applicable Rules and Regulations. As of its date, the Prospectus did not and will not contain as of the date thereof any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading (provided, however, that the preceding representations and warranties contained in this sentence shall not apply to any Underwriter Information). All post-effective amendments to the Registration Statement reflecting facts or events arising after the date thereof which represent, individually or in the aggregate, a fundamental change in the information set forth therein have been so filed with the Commission. There are no documents required to be filed with the Commission in connection with the transaction contemplated hereby that (x) have not been filed as required pursuant to the Securities Act or (y) will not be filed within the requisite time period. There are no contracts or other documents required to be described in the Prospectus or filed as exhibits or schedules to the Registration Statement that have not been described or filed as required. The Company is eligible to use free writing prospectuses in connection with the Offering pursuant to Rules 164 and 433 under the Securities Act. Any free writing prospectus that the Company is required to file pursuant to Rule 433(d) under the Securities Act has been, or will be, filed with the Commission in accordance with the requirements of the Securities Act and the applicable Rules and Regulations. Each free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act or that was prepared by or behalf of or used by the Company complies or will comply in all material respects with the requirements of the Securities Act and the applicable Rules and Regulations. The Company will not, without the prior consent of the Underwriter, prepare, use or refer to, any free writing prospectus.

(c) Offering Materials. The Company has delivered, or will as promptly as practicable deliver, to the Underwriter complete conformed copies of the Registration Statement and of each consent and certificate of experts, as applicable, filed as a part thereof, and conformed copies of the Registration Statement (without exhibits) and the Prospectus, as amended or supplemented, in such quantities and at such places as the Underwriter reasonably requests. Neither the Company nor any of its directors and officers has distributed and none of them will distribute, prior to the Closing Date, any offering material in connection with the offering and sale of the Offered Securities other than the Prospectus, the Registration Statement, and any other materials permitted by the Securities Act (collectively, the “**Offering Materials**”).

¹ To be filled in after the registration statement is filed publicly.

(d) Subsidiaries. All of the direct and indirect subsidiaries of the Company (the “**Subsidiaries**”) are described in the Registration Statement to the extent necessary. The Company owns, directly or indirectly, all of its capital stock or other equity interests of each Subsidiary free and clear of any liens, charges, security interests, encumbrances, rights of first refusal, preemptive rights or other restrictions (collectively, “**Liens**”), and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities.

(e) Organization and Qualification. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing (where applicable) under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation or default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of this Agreement or any other agreement entered into between the Company and the Underwriter (“**Transaction Documents**”), (ii) a material adverse effect on the results of operations, assets, business, prospects (as such prospects are described in the Prospectus) or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on the Company’s ability to perform in any material respect on a timely basis its obligations under this Agreement or the Offering (any of (i), (ii) or (iii), a “**Material Adverse Effect**”) and to the best knowledge of the Company, no action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened (“**Proceeding**”) has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(f) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents and the Offering and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement by the Company and each of the other Transaction Documents and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Company’s Board of Directors (the “**Board of Directors**”) or the Company’s shareholders in connection therewith other than in connection with the Required Approvals (as defined below). This Agreement each other Transaction Document to which it is a party has been duly executed by the Company and, when delivered in accordance with the terms hereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors’ rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(g) No Conflicts. The execution, delivery and performance by the Company of this Agreement, the other Transaction Documents to which it is a party and the transactions contemplated hereby do not and will not (i) conflict with or violate any provision of the Company’s or any Subsidiary’s certificate or articles of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such conflict, default or violation could not reasonably be expected to result in a Material Adverse Effect.

(h) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of this Agreement, the other Transaction Documents to which it is a party and the transactions contemplated hereby, other than: (i) the filing with the Commission of the final Prospectus as required by Rule 424 under the Securities Act, (ii) application to the Nasdaq (the “**Trading Market**”), for the listing of the Offered Securities for trading thereon in the time and manner required thereby and (iii) such filings as are required to be made under applicable state securities laws (collectively, the “**Required Approvals**”).

(i) Issuance of the Offered Securities; Registration. The Offered Securities are duly authorized and, when issued and paid for in accordance with this Agreement, the other Transaction Documents to which it is a party, and the terms of the Offering as described in the Prospectus, will be duly and validly issued, fully paid and non-assessable, free and clear of all Liens imposed by the Company. The Company has sufficient authorized ordinary shares for the issuance of the maximum number of Securities issuable pursuant to the Offering as described in the Prospectus.

(j) Capitalization. The capitalization of the Company as of the date hereof is as set forth in the Registration Statement, and the Prospectus. The Company has not issued any ordinary shares since [●], 2019, other than pursuant to the Company's equity incentive plans, the issuance of Shares to employees, directors or consultants pursuant to the Company's equity incentive plans and pursuant to the conversion and/or exercise of any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire Shares at any time, including, without limitation, any debt, preferred shares, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Shares ("**Ordinary Share Equivalents**") and is outstanding as of [●], 2019. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the offering documents. Except as a result of the purchase and sale of the Offered Securities or as disclosed in the Registration Statement, and the Prospectus, there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire, any Shares or the capital stock of any Subsidiary, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional Shares or Ordinary Share Equivalents or capital stock of any Subsidiary. The issuance and sale of the Offered Securities will not obligate the Company or any Subsidiary to issue Shares or other securities to any Person (other than the Underwriter) and will not result in a right of any holder of Company securities to adjust the exercise, conversion, exchange or reset price under any of such securities. There are no securities of the Company or any Subsidiary that have any anti-dilution or similar adjustment rights (other than adjustments for stock splits, recapitalizations, and the like) to the exercise or conversion price, have any exchange rights, or reset rights. Except as set forth in the Registration Statement, and the Prospectus, there are no outstanding securities or instruments of the Company or any Subsidiary that contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to redeem a security of the Company or such Subsidiary. The Company does not have any share appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement. All of the outstanding ordinary shares of the Company are duly authorized, validly issued, fully paid and non-assessable, have been issued in compliance in all material respects with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. No further approval or authorization of any shareholder, the Board of Directors or others is required for the issuance and sale of the Offered Securities. Except for the operating agreement of the Company, there are no shareholders agreements, voting agreements or other similar agreements with respect to the Company's ordinary shares or other ordinary shares to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's shareholders.

(k) Material Changes; Undisclosed Events, Liabilities or Developments. Since the date of the latest audited financial statements included within the Registration Statement, except as specifically disclosed in the Registration Statement and the Prospectus, (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to United States generally accepted accounting principles ("**GAAP**") or disclosed in filings made with the Commission, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its shareholders or purchased, redeemed or made any agreements to purchase or redeem any ordinary shares of the Company and (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company stock option plans, if any. The Company does not have pending before the Commission any request for confidential treatment of information. Except for the issuance of the Offered Securities contemplated by the Prospectus or disclosed in the Registration Statement or the Prospectus, no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its Subsidiaries or their respective business, prospects (as such prospects are described in the Prospectus), properties, operations, assets or financial condition that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least 1 trading day prior to the date that this representation is made.

(l) Litigation. Except for such matter disclosed in the Offering Materials, there is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an “**Action**”) which (i) adversely affects or challenges the legality, validity or enforceability of this Agreement or any of the Transaction Documents and the Offering or the Offered Securities or (ii) could, if there were an unfavorable decision, reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any Subsidiary, nor any director or officer thereof, is or has within the last 10 years been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the Commission involving the Company or any current or former director or officer of the Company.

(m) Labor Relations. No material labor dispute exists or, to the knowledge of the Company, is imminent with respect to any of the employees of the Company, which could reasonably be expected to result in a Material Adverse Effect. None of the Company’s or its Subsidiaries’ employees is a member of a union that relates to such employee’s relationship with the Company or such Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company and its Subsidiaries believe that their relationships with their employees are good. No executive officer, to the knowledge of the Company, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such executive officer does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in compliance with all applicable laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(n) Compliance. Except as set forth in the Offering Materials, neither the Company nor any Subsidiary: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or governmental body or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case as could not reasonably be expected to result in a Material Adverse Effect.

(o) Regulatory Permits. The Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the Prospectus, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect (“**Material Permits**”), and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.

(p) Title to Assets. The Company and the Subsidiaries have good and marketable title in fee simple to all real property owned by them and good and marketable title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens, except for Liens disclosed in the Prospectus, Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries and Liens for the payment of federal, state or other taxes, the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Company and the Subsidiaries are in compliance.

(q) Patents and Trademarks. The Company and the Subsidiaries have, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights necessary or required for use in connection with their respective businesses as described in the Offering Materials and which the failure to so have could have a Material Adverse Effect (collectively, the “**Intellectual Property Rights**”). None of, and neither the Company nor any Subsidiary has received a notice (written or otherwise) that any of, the Intellectual Property Rights has expired, terminated or been abandoned, or is expected to expire or be abandoned, within two (2) years from the date of this Agreement, except where such action would not reasonably be expected to have a Material Adverse Effect. Except as disclosed in the Offering Materials, neither the Company nor any Subsidiary has received, since the date of the latest audited financial statements included within the Offering Materials, a written notice of a claim or otherwise has any knowledge that the Intellectual Property Rights violate or infringe upon the rights of any Person, except as would not have or reasonably be expected to not have a Material Adverse Effect. To the knowledge of the Company, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights. The Company and its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has no knowledge that it lacks or will be unable to obtain any rights or licenses to use all Intellectual Property Rights that are necessary to conduct its business.

(r) *[Intentionally Omitted]*

(s) Transactions With Affiliates and Employees. Except as set forth in the Registration Statement and the Prospectus, none of the officers or directors of the Company and, to the knowledge of the Company, none of the employees of the Company is presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner, in each case in excess of \$120,000 other than for (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company and (iii) other employee benefits, including stock option agreements under any stock option plan of the Company.

(t) Sarbanes-Oxley; Internal Accounting Controls. Except as disclosed in the Registration Statement and in the Prospectus, the Company is in compliance with any and all applicable requirements of the Sarbanes-Oxley Act of 2002 that are effective and applicable to the Company as of the date hereof, and any and all applicable rules and regulations promulgated by the Commission thereunder that are effective as of the date hereof and as of the Closing Date. Except as set forth in the Offering Materials, the Company and the Subsidiaries maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company and the Subsidiaries have established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and the Subsidiaries and designed such disclosure controls and procedures to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms.

(u) Certain Fees, FINRA Affiliation. Except as set forth herein and in the Prospectus, contemplated by this Agreement, or a separate agreement regarding the Offering with a soliciting dealer in the sole discretion of the Underwriter, no brokerage or finder's fees or commissions are or will be payable by the Company or any Subsidiary to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents. Except as set forth in the Registration Statement, and the Prospectus, to the Company's knowledge, there are no other arrangements, agreements or understandings of the Company or, to the Company's knowledge, any of its stockholders that may affect the Underwriter's compensation, as determined by FINRA. The Company has not made any direct or indirect payments (in cash, securities or otherwise) to (i) any person, as a finder's fee, investing fee or otherwise, in consideration of such person raising capital for the Company or introducing to the Company persons who provided capital to the Company, (ii) any FINRA member, or (iii) any person or entity that has any direct or indirect affiliation or association with any FINRA member within the 12-month period prior to the date on which the Registration Statement was filed with the Commission (the "**Filing Date**") or thereafter. To the Company's knowledge, no (i) officer or director of the Company or its subsidiaries, (ii) owner of 5% or more of the Company's unregistered securities or that of its subsidiaries or (iii) owner of any amount of the Company's unregistered securities acquired within the 180-day period prior to the Filing Date, has any direct or indirect affiliation or association with any FINRA member. The Company will advise the Underwriter if it becomes aware that any officer, director or stockholder of the Company or its Subsidiaries is or becomes an affiliate or associated person of a FINRA member participating in the Offering.

(v) Investment Company. The Company is not, and is not an Affiliate of, and immediately after receipt of payment for the Offered Securities, will not be or be an Affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(w) Registration Rights. Except as set forth in the Registration Statement or the Prospectus, no Person has any right to cause the Company to effect the registration under the Securities Act of any securities of the Company.

(x) Registration. The Company shall use commercially reasonable efforts to maintain the effectiveness of the Registration Statement and a current Prospectus relating thereto for as long as the Offered Shares and the Underwriter's Warrant remain outstanding. During any period when the Company fails to have maintained an effective Registration Statement or a current Prospectus relating thereto and a holder of an Underwriter's Warrant desires to exercise such warrants and, in the opinion of counsel to the holder, Rule 144 is not available as an exemption from registration for the resale of the Company's ordinary shares underlying such warrants (such shares, the "**Warrant Shares**"), the Company shall promptly file a registration statement registering the resale of the Warrant Shares and use commercially reasonable efforts to have it declared effective by the Commission within ninety (90) days.

(y) [Intentionally Omitted.]

(z) Solvency. Based on the consolidated financial condition of the Company as of the Closing Date, after giving effect to the receipt by the Company of the proceeds from the sale of the Offered Securities hereunder, the current cash flow of the Company, together with the proceeds the Company would receive, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, are sufficient to pay all amounts on or in respect of its liabilities when such amounts are required to be paid. The Company does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt). Except as set forth in the Registration Statement and the Prospectus, the Company has no knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the Closing Date. The Registration Statement and the Prospectus sets forth as of the date hereof all outstanding secured and unsecured Indebtedness of the Company or any Subsidiary, or for which the Company or any Subsidiary has commitments. For the purposes of this Agreement, "Indebtedness" means (x) any liabilities for borrowed money or amounts owed in excess of \$50,000 (other than trade accounts payable incurred in the ordinary course of business), (y) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others, whether or not the same are or should be reflected in the Company's consolidated balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (z) the present value of any lease payments in excess of \$50,000 due under leases required to be capitalized in accordance with GAAP. Except as set forth in the Registration Statement and the Prospectus, neither the Company nor any Subsidiary is in default with respect to any Indebtedness.

(aa) Tax Status. Except for matters that would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, the Company and each Subsidiary (i) has made or filed all income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company or of any Subsidiary know of no basis for any such claim.

(bb) [Intentionally Omitted.]

(cc) Accountants. Friedman LLP ("**Friedman**") is the Company's independent registered public accounting firm. To the knowledge and belief of the Company, such accounting firm (i) is a registered public accounting firm as required by the Exchange Act and (ii) has expressed its opinion with respect to the financial statements of the Company for the years ended December 31, 2018 and 2017.

(dd) Office of Foreign Assets Control. Neither the Company nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**").

(ee) Company Not Ineligible Issuer. (i) At the time of filing the Registration Statement relating to the Offered Securities and (ii) as of the date of the execution and delivery of this Agreement (with such date being used as the determination date for purposes of this clause (ii)), the Company met all the requirements set forth in General Instruction I of Form F-1.

(ff) Emerging Growth Company. From the time of the initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged directly or through any person authorized to act on its behalf in any Testing-the-Waters Communications) through the date hereof, the Company has been and is an "emerging growth company," as defined in Section 2(a) of the Securities Act (an "Emerging Growth Company"). "Testing-the-Waters Communication" means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Securities Act.

(gg) Certificates. Any certificate signed by an officer of the Company and delivered to the Underwriter or to counsel for the Underwriter shall be deemed to be a representation and warranty by the Company to the Underwriter as to the matters set forth therein.

(hh) Reliance. The Company acknowledges that the Underwriter will rely upon the accuracy and truthfulness of the foregoing representations and warranties and hereby consents to such reliance.

(ii) Forward-Looking Statements. No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in either the Registration Statement or the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(jj) Statistical or Market-Related Data. Any statistical, industry-related and market-related data included or incorporated by reference in the Registration Statement or the Prospectus, are based on or derived from sources that the Company reasonably and in good faith believes to be reliable and accurate, and such data agree with the sources from which they are derived.

(kk) Listing and Maintenance Requirements. The Securities are registered pursuant to Section 12(b) or 12(g) of the Exchange Act, and the Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Securities under the Exchange Act nor has the Company received any notification that the Commission is contemplating terminating such registration. Except as disclosed in the Offering Materials, the Company is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements. The Offered Securities are currently eligible for electronic transfer through the Depository Trust Company or another established clearing corporation and the Company is current in payment of the fees to the Depository Trust Company (or such other established clearing corporation) in connection with such electronic transfer. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of NASDAQ.

(ll) Foreign Corrupt Practices. Neither the Company, nor to the knowledge of the Company, any agent or other person acting on behalf of the Company, has (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company (or made by any person acting on its behalf of which the Company is aware) which is in violation of law, or (iv) violated in any material respect any provision of the Foreign Corrupt Practices Act of 1977, as amended.

(mm) Regulation M Compliance. The Company has not, and to its knowledge no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Offered Securities, (ii) sold, bid for, purchased, or, paid any compensation for soliciting purchases of, any of the Offered Securities, or (iii) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company, other than, in the case of clauses (ii) and (iii), compensation paid to the Underwriter in connection with the Offering.

(nn) Testing the Waters Communications. The Company (a) has not alone engaged in any Testing-the-Waters Communication other than Testing-the-Waters Communications with the consent of the Underwriter with entities that are qualified institutional buyers within the meaning of Rule 144A under the Securities Act or institutions that are accredited investors within the meaning of Rule 501 under the Securities Act and (b) has not authorized anyone other than the Underwriter to engage in Testing-the-Waters Communications. The Company reconfirms that the Underwriter has been authorized to act on its behalf in undertaking Testing-the-Waters Communications. The Company has not distributed any Written Testing-the-Waters Communications.

(oo) Money Laundering. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the “**Money Laundering Laws**”), and no Action or Proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Company or any Subsidiary, threatened.

Section 3. Delivery and Payment.

(a) On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to issue and sell the Underwritten Shares to the Underwriter, and the Underwriter agrees to purchase the Underwritten Shares. The purchase price for each Underwritten Share shall be \$6.00 per share (the “Per Share Price”).

(b) The Company hereby grants to the Underwriter the option to purchase some or all of the Additional Shares, and, upon the basis of the warranties and representations and subject to the terms and conditions herein set forth, the Underwriter shall have the right to purchase all or any portion of the Additional Shares at the Per Share Price as may be necessary to cover over-allotments made in connection with the transactions contemplated hereby. This option may be exercised by the Underwriter at any time (but not more than once) on or before the forty-fifth (45th) day following the date hereof, by written notice to the Company (the “Option Notice”). The Option Notice shall set forth the aggregate number of Additional Shares as to which the option is being exercised, and the date and time when the Additional Shares are to be delivered (such date and time being herein referred to as the “Option Closing Date”); provided, however, that the Option Closing Date shall not be earlier than the Closing Date (as defined below) nor earlier than the first business day after the date on which the option shall have been exercised nor later than the fifth business day after the date on which the option shall have been exercised unless the Company and the Underwriter otherwise agree.

Payment of the purchase price for and delivery of the Additional Shares shall be made at the Option Closing Date in the same manner and at the same office as the payment for the Underwritten Shares as set forth in subparagraph (c) below.

(c) The Underwritten Shares will be delivered by the Company to the Underwriter against payment of the purchase price therefor by wire transfer of same day funds payable to the order of the Company’s offices, or such other location as may be mutually acceptable, at 6:00 a.m. Pacific Time, on the second (or if the Underwritten Shares are priced, as contemplated by Rule 15c6-1(c) under the Exchange Act, after 4:30 p.m. Eastern Time, the third) full business day following the date hereof, or at such other time and date as the Underwriter and the Company determine pursuant to Rule 15c6-1(a) under the Exchange Act, or, in the case of the Additional Shares, at such date and time set forth in the Option Notice. The time and date of delivery of the Underwritten Shares or the Additional Shares, as applicable, is referred to herein as the “Closing Date.” If the Underwriter so elects, delivery of the Underwritten Shares and Additional Shares may be made by credit through full fast transfer to the account at The Depository Trust Company designated by the Underwriter.

Section 4. Covenants and Agreements of the Company. The Company further covenants and agrees with the Underwriter as follows:

(a) Registration Statement Matters. The Registration Statement and any amendments thereto have been declared effective, and if Rule 430A is used or the filing of the Prospectus is otherwise required under Rule 424(b), the Company will file the Prospectus (properly completed if Rule 430A has been used) pursuant to Rule 424(b) within the prescribed time period and will provide evidence satisfactory to the Underwriter of such timely filing. The Company will advise the Underwriter promptly after they receive notice thereof of the time when any amendment to the Registration Statement has been filed or becomes effective or any supplement or amendment to the Prospectus has been filed and will furnish the Underwriter with copies thereof. The Company will file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 14 or 15(d) of the Exchange Act subsequent to the date of the Prospectus and for so long as the delivery of a prospectus is required in connection with the Offering. The Company will advise the Underwriter, promptly after it receives notice thereof (i) of any request by the Commission to amend the Registration Statement or to amend or supplement the Prospectus or for additional information, and (ii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto or any order preventing or suspending the use of the Prospectus or any amendment or supplement thereto or any post-effective amendment to the Registration Statement, of the suspension of the qualification of the Offered Securities for offering or sale in any jurisdiction, of the institution or threatened institution of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or the Prospectus or for additional information. The Company shall use its commercially reasonable efforts to prevent the issuance of any such stop order or prevention or suspension of such use. If the Commission shall enter any such stop order or order or notice of prevention or suspension at any time, the Company will use its commercially reasonable efforts to obtain the lifting of such order at the earliest possible moment, or will file a new registration statement and use commercially reasonable efforts to have such new registration statement declared effective as soon as practicable. Additionally, the Company agrees that it shall comply with the provisions of Rules 424(b), 430A, 430B and 430C, as applicable, under the Securities Act, including with respect to the timely filing of documents thereunder, and will use commercially reasonable efforts to confirm that any filings made by the Company under such Rule 424(b) are received in a timely manner by the Commission.

(b) Blue Sky Compliance. The Company will cooperate with the Underwriter in endeavoring to qualify the Offered Securities for sale under the securities laws of such jurisdictions (United States and foreign) as the Underwriter may reasonably request and will make such applications, file such documents, and furnish such information as may be reasonably required for that purpose, provided the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction where it is not now so qualified or required to file such a consent, and provided further that the Company shall not be required to produce any new disclosure document other than the Prospectus. The Company will, from time to time, prepare and file such statements, reports and other documents as are or may be required to continue such qualifications in effect for so long a period as the Underwriter may reasonably request for distribution of the Offered Securities. The Company will advise the Underwriter promptly of the suspension of the qualification or registration of (or any such exemption relating to) the Offered Securities for offering, sale or trading in any jurisdiction or any initiation or threat of any proceeding for any such purpose, and in the event of the issuance of any order suspending such qualification, registration or exemption, the Company shall use its best efforts to obtain the withdrawal thereof at the earliest possible moment.

(c) Amendments and Supplements to the Prospectus and Other Matters. The Company will comply with the Securities Act and the Exchange Act, and the rules and regulations of the Commission thereunder, so as to permit the completion of the distribution of the Offered Securities as contemplated in this Agreement and the Prospectus. If during the period in which a prospectus is required by law to be delivered in connection with the distribution of Offered Securities contemplated by the Prospectus (the “**Prospectus Delivery Period**”), any event shall occur as a result of which, in the judgment of the Company or in the opinion of the Underwriter or counsel for the Underwriter, it becomes necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances under which they were made, as the case may be, not misleading, or if it is necessary at any time to amend or supplement the Prospectus to comply with any law, the Company will promptly prepare and file with the Commission, and furnish at its own expense to the Underwriter and to dealers, an appropriate amendment to the Registration Statement or supplement to the Registration Statement or the Prospectus that is necessary in order to make the statements in the Prospectus as so amended or supplemented, in the light of the circumstances under which they were made, as the case may be, not misleading, or so that the Registration Statement or the Prospectus, as so amended or supplemented, will comply with law. Before amending the Registration Statement or supplementing the Prospectus in connection with the Offering, the Company will furnish the Underwriter with a copy of such proposed amendment or supplement and will not file any such amendment or supplement to which the Underwriter reasonably object; the Underwriter, and its counsel shall have a reasonable amount of time to review and return any comments to the Company.

(d) Copies of any Amendments and Supplements to the Prospectus. The Company will furnish the Underwriter, without charge, during the period beginning on the date hereof and ending on the final Closing Date of the Offering, as many copies of the Prospectus and any amendments and supplements thereto as the Underwriter may reasonably request.

(e) Free Writing Prospectus. The Company covenants that it will not, unless it obtains the prior consent of the Underwriter, make any offer relating to the Offered Securities that would constitute a Company Free Writing Prospectus or that would otherwise constitute a “free writing prospectus” (as defined in Rule 405 of the Securities Act) required to be filed by the Company with the Commission or retained by the Company under Rule 433 of the Securities Act. In the event that the Underwriter expressly consents in writing to any such free writing prospectus (a “**Permitted Free Writing Prospectus**”), the Company covenants that it shall (i) treat each Permitted Free Writing Prospectus as a Company Free Writing Prospectus, and (ii) comply with the requirements of Rule 164 and 433 of the Securities Act applicable to such Permitted Free Writing Prospectus, including in respect of timely filing with the Commission, legending and record keeping.

(f) Transfer Agent. The Company will maintain, at its expense, a registrar and transfer agent for its ordinary shares for so long as the ordinary shares are publicly-traded.

(g) Earnings Statement. As soon as practicable and in accordance with applicable requirements under the Securities Act, but in any event not later than 18 months after the last Closing Date, the Company will make generally available to its security holders and to the Underwriter an earnings statement, covering a period of at least 12 consecutive months beginning after the last Closing Date, that satisfies the provisions of Section 11(a) and Rule 158 under the Securities Act.

(h) Periodic Reporting Obligations. During the Prospectus Delivery Period, the Company will duly file, on a timely basis, with the Commission all reports and documents required to be filed under the Exchange Act within the time periods and in the manner required by the Exchange Act.

(i) Additional Documents. The Company will enter into any subscription, purchase or other customary agreements as the Underwriter deem necessary or appropriate to consummate the Offering, all of which will be in form and substance reasonably acceptable to the Company and the Underwriter.

(j) No Manipulation of Price. The Company will not take, directly or indirectly, any action designed to cause or result in, or that has constituted or might reasonably be expected to constitute, the stabilization or manipulation of the price of any securities of the Company.

(k) Company Lock-Up.

(i) The Company will not, without the prior written consent of the Underwriter, from the date of execution of this Agreement and continuing for a period of 12 months from the date on which the trading of the Securities on the NASDAQ Stock Exchange commences (the "Lock-Up Period"), (i) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, or file with the Commission a registration statement under the Securities Act relating to, any shares of ordinary shares or any securities convertible into or exercisable or exchangeable for Ordinary shares, or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Ordinary Shares or any such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise, except to the Underwriter pursuant to this Agreement. The Company agrees not to accelerate the vesting of any option or warrant or the lapse of any repurchase right prior to the expiration of the Lock-Up Period.

(ii) The restrictions contained in Section 4(k)(i) hereof shall not apply to: (A) the Shares, (B) any shares of ordinary shares issued under Company Stock Plans or warrants issued by the Company, in each case, described as outstanding in the Offering Materials, (C) any options and other awards granted under a Company Stock Plan or shares of Ordinary shares issued pursuant to an employee stock purchase plan, in each case, as described in the Offering Materials, and (D) shares of ordinary shares or other securities issued in connection with a transaction with an unaffiliated third party that includes a bona fide commercial relationship (including joint ventures, marketing or distribution arrangements, collaboration agreements or intellectual property license agreements) or any acquisition of assets or acquisition of not less than a majority or controlling portion of the equity of another entity; provided that (x) the aggregate number of shares of ordinary shares issued pursuant to clause (D) shall not exceed five percent (5%) of the total number of outstanding shares of ordinary shares immediately following the issuance and sale of the Shares pursuant hereto and (y) the recipient of any such shares of ordinary shares or other securities issued or granted pursuant to clauses (B), (C) and (D) during the Lock-Up Period shall enter into an agreement substantially in the form of Exhibit A hereto.

(l) Acknowledgment. The Company acknowledges that any advice given by any of the Underwriter to the Company is solely for the benefit and use of the Board of Directors of the Company and may not be used, reproduced, disseminated, quoted or referred to, without such Underwriter's prior written consent.

Section 5. Conditions of the Obligations of the Underwriter. The obligations of the Underwriter hereunder shall be subject to the accuracy of the representations and warranties on the part of the Company set forth in Section 2 hereof, in each case as of the date hereof and as of the Closing Date as though then made, to the timely performance by each of the Company of its covenants and other obligations hereunder on and as of such dates, and to each of the following additional conditions:

(a) Accountants' Comfort Letter. On the date hereof, the Underwriter shall have received, and the Company shall have caused to be delivered to the Underwriter, a letter from Friedman addressed to the Underwriter, dated as of the date hereof, in form and substance satisfactory to the Underwriter. The letter shall not disclose any change in the condition (financial or other), earnings, operations, business or prospects of the Company from that set forth in the Prospectus, which, in the Underwriter's sole judgment, is material and adverse and that makes it, in the Underwriter's sole judgment, impracticable or inadvisable to proceed with the Offering of the Offered Securities as contemplated by the Prospectus.

(b) Compliance with Registration Requirements; No Stop Order; No Objection from the FINRA. The Registration Statement shall have become effective and all necessary regulatory and listing approvals shall have been received not later than 5:30 P.M., New York City time, on the date of this Agreement, or at such later time and date as shall have been consented to in writing by the Underwriter. The Prospectus (in accordance with Rule 424(b)) and "free writing prospectus" (as defined in Rule 405 of the Securities Act), if any, shall have been duly filed with the Commission in a timely fashion in accordance with the terms thereof. At or prior to the Closing Date and the actual time of the Closing, no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; no order preventing or suspending the use of the Prospectus shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; no order having the effect of ceasing or suspending the distribution of the Offered Securities or any other securities of the Company shall have been issued by any securities commission, securities regulatory authority or stock exchange and no proceedings for that purpose shall have been instituted or shall be pending or, to the knowledge of the Company, contemplated by any securities commission, securities regulatory authority or stock exchange; all requests for additional information on the part of the Commission shall have been complied with; and the FINRA shall have raised no objections to the fairness and reasonableness of the placement terms and arrangements.

(c) Corporate Proceedings. All corporate proceedings and other legal matters in connection with this Agreement, the Registration Statement and the Prospectus, and the registration, sale and delivery of the Offered Securities, shall have been completed or resolved in a manner reasonably satisfactory to the Underwriter's counsel.

(d) No Material Adverse Effect. Subsequent to the execution and delivery of this Agreement and prior to the Closing Date, in the Underwriter's sole judgment after consultation with the Company, there shall not have occurred any Material Adverse Effect.

(e) Opinion of Counsel for the Company. The Underwriter shall have received on the Closing Date the favorable opinion of Hunter Taubman Fischer & Li LLC, Company securities counsel, dated as of such Closing Date, including, without limitation, a customary negative assurance letter, addressed to the Underwriter in customary form reasonably satisfactory to the Underwriter. The Underwriter shall rely on the opinion of the Company's Cayman Islands counsel, Campbells, filed as Exhibit 5.1 to the Registration Statement, as to the due incorporation, validity of the Securities and due authorization, execution and delivery of the Agreement.

(f) *[Intentionally Omitted.]*

(g) Officers' Certificate. The Underwriter shall have received on the Closing Date a certificate of the Company, dated as of such Closing Date, signed by the Chief Executive Officer and Chief Financial Officer of the Company, to the effect that, and the Underwriter shall be satisfied that, the signers of such certificate have reviewed the Registration Statement and the Prospectus, and this Agreement and to the further effect that:

(i) The representations and warranties of the Company in this Agreement are true and correct, as if made on and as of such Closing Date, and the Company has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to such Closing Date;

(ii) No stop order suspending the effectiveness of the Registration Statement or the use of the Prospectus has been issued and no proceedings for that purpose have been instituted or are pending or, to the Company's knowledge, threatened under the Securities Act; no order having the effect of ceasing or suspending the distribution of the Offered Securities or any other securities of the Company has been issued by any securities commission, securities regulatory authority or stock exchange in the United States and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, contemplated by any securities commission, securities regulatory authority or stock exchange in the United States;

(iii) Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, there has not been: (a) any Material Adverse Effect; (b) any transaction that is material to the Company and the Subsidiaries taken as a whole, except transactions entered into in the ordinary course of business; (c) any obligation, direct or contingent, that is material to the Company and the Subsidiaries taken as a whole, incurred by the Company or any Subsidiary, except obligations incurred in the ordinary course of business; (d) any material change in the capital stock (except changes thereto resulting from the exercise of outstanding options or warrants or conversion of outstanding indebtedness into ordinary shares of the Company) or outstanding indebtedness of the Company or any Subsidiary (except for the conversion of such indebtedness into ordinary shares of the Company); (e) any dividend or distribution of any kind declared, paid or made on ordinary shares of the Company; or (f) any loss or damage (whether or not insured) to the property of the Company or any Subsidiary which has been sustained or will have been sustained which has a Material Adverse Effect. (h) Secretary's Certificate. As of the Closing Date the Underwriter shall have received a certificate of the Company signed by the Secretary of the Company, dated the Closing Date, certifying: (i) that each of the Company's Articles of Association and Memorandum of Association attached to such certificate is true and complete, has not been modified and is in full force and effect; (ii) that each of the Subsidiaries Articles of Association, Memorandum of Association or charter documents attached to such certificate is true and complete, has not been modified and is in full force and effect; (iii) that the resolutions of the Company's Board of Directors relating to the Offering attached to such certificate are in full force and effect and have not been modified; and (iv) the good standing of the Company and each of the Subsidiaries, but only to the extent good standing is a concept applicable in the jurisdiction of formation of a Subsidiary. The documents referred to in such certificate shall be attached to such certificate.

(i) Bring-down Comfort Letter. On the Closing Date, the Underwriter shall have received from Friedman, or such other independent registered public accounting firm engaged by the Company at such time, a letter dated as of such Closing Date, in form and substance satisfactory to the Underwriter, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (a) of this Section 5, except that the specified date referred to therein for the carrying out of procedures shall be no more than three business days prior to such Closing Date.

(j) Additional Documents. On or before the Closing Date, the Underwriter and counsel for the Underwriter shall have received such customary information and documents as they may reasonably require for the purposes of enabling them to pass upon the issuance and sale of the Offered Securities as contemplated herein, or in order to evidence the accuracy of any of the representations and warranties, or the satisfaction of any of the conditions or agreements, herein contained. If any condition specified in this Section 5 is not satisfied when and as required to be satisfied, this Agreement may be terminated by the Underwriter by notice to the Company at any time on or prior to the Closing Date, which termination shall be without liability on the part of any party to any other party, except that Section 6 (Payment of Expenses), Section 7 (Indemnification and Contribution) and Section 8 (Representations and Indemnities to Survive Delivery) shall at all times be effective and shall survive such termination.

(k) Subsequent to the execution and delivery of this Agreement or, if earlier, the dates as of which information is given in the Registration Statement (exclusive of any amendment thereof) and the Prospectus (exclusive of any supplement thereto), there shall not have been any change in the capital stock or long-term debt of the Company (other than as described in the Registration Statement or the Prospectus) or any change or development involving a change, whether or not arising from transactions in the ordinary course of business, in the business, condition (financial or otherwise), results of operations, shareholders' equity, properties or prospects of the Company, taken as a whole, including but not limited to the occurrence of any fire, flood, storm, explosion, accident, act of war or terrorism or other calamity, the effect of which, in any such case described above, is, in the sole judgment of the Underwriter, so material and adverse as to make it impracticable or inadvisable to proceed with the sale of Offered Securities or Offering as contemplated hereby.

(l) Subsequent to the execution and delivery of this Agreement and up to a Closing Date, there shall not have occurred any of the following: (i) trading in securities generally on NASDAQ or any Trading Markets shall not have commenced, (ii) a banking moratorium shall have been declared by federal or state authorities or a material disruption has occurred in commercial banking or securities settlement or clearance services in the United States, (iii) the United States shall have become engaged in hostilities in which it is not currently engaged, the subject of an act of terrorism, there shall have been an escalation in hostilities involving the United States, or there shall have been a declaration of a national emergency or war by the United States, or (iv) there shall have occurred any other calamity or crisis or any change in general economic, political or financial conditions in the United States or elsewhere, if the effect of any such event in clause (ii) or (iv) makes it, in the sole judgment of the Underwriter, impracticable or inadvisable to proceed with the sale or delivery of the Offered Securities on the terms and in the manner contemplated by the Prospectus.

(m) The Underwriter shall have received a lock-up agreement from each Lock-Up Party set forth on Schedule B, duly executed by the applicable Lock-Up Party, in each case substantially in the form attached as Schedule C.

(n) *[Intentionally Omitted.]*

(o) No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date, prevent the issuance or sale of the Offered Securities; and no injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date, prevent the issuance or sale of the Offered Securities or materially and adversely affect or potentially materially and adversely affect the business or operations of the Company.

(p) *[Intentionally Omitted.]*

If any of the conditions specified in this Section 5 shall not have been fulfilled when and as required by this Agreement, or if any of the certificates, opinions, written statements or letters furnished to the Underwriter or to Underwriter' counsel pursuant to this Section 5 shall not be reasonably satisfactory in form and substance to the Underwriter and to Underwriter' counsel, all obligations of the Underwriter hereunder may be cancelled by the Underwriter at, or at any time prior to, the consummation of the Offering. Notice of such cancellation shall be given to the Company in writing.

Section 6. Payment of Company Expenses. The Company agrees to pay all costs, fees and expenses incurred by the Company in connection with the performance of its obligations hereunder and in connection with the transactions contemplated hereby, including, without limitation: (i) all expenses incident to the issuance, delivery and qualification of the Offered Securities (including all printing and engraving costs); (ii) all fees and expenses of the registrar and transfer agent of the Offered Securities; (iii) all necessary issue, transfer and other stamp taxes in connection with the issuance and sale of the Offered Securities; (iv) all fees and expenses of the Company's counsel, independent public or certified public accountants and other advisors; (v) all costs and expenses incurred in connection with the preparation, printing, filing, shipping and distribution of the Registration Statement (including financial statements, exhibits, schedules, consents and certificates of experts), the Prospectus, and all amendments and supplements thereto, and this Agreement; (vi) all filing fees, reasonable attorneys' fees and expenses incurred by the Company or the Underwriter in connection with qualifying or registering (or obtaining exemptions from the qualification or registration of) all or any part of the Offered Securities for offer and sale under the state securities or blue sky laws or the securities laws of any other country, and, if reasonably requested by the Underwriter, preparing and printing a "Blue Sky Survey," an "International Blue Sky Survey" or other memorandum, and any supplements thereto, advising any of the Underwriter of such qualifications, registrations and exemptions; (vii) if applicable, the filing fees incident to the review and approval by the FINRA of the Underwriter's participation in the offering and distribution of the Offered Securities; (viii) the fees and expenses associated with including the Offered Securities on the Trading Market; and (ix) all costs and expenses incident to the travel and accommodation of the Company's employees on the "roadshow," as described in Section 1(a)(iii) of this Agreement.

Section 7. Indemnification and Contribution.

(a) The Company agrees to indemnify, defend and hold harmless the Underwriter, its affiliates, directors and officers and employees, and each person, if any, who controls the Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (each an "**Underwriter Indemnified Party**"), from and against any losses, claims, damages or liabilities (including in settlement of any litigation if such settlement is effected with the prior written consent of the Company) arising out of (i) an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, including the information deemed to be a part of the Registration Statement at the time of effectiveness and at any subsequent time pursuant to Rules 430A and 430B of the Securities Act Regulations, or arise out of or are based upon the omission from the Registration Statement, or alleged omission to state therein, a material fact required to be stated therein or necessary to make the statements therein not misleading; or (ii) an untrue statement or alleged untrue statement of a material fact contained in the Prospectus, or any amendment or supplement thereto, or in any other materials used in connection with the Offering, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and will reimburse such Underwriter Indemnified Party for any legal or other expenses reasonably incurred by it in connection with evaluating, investigating or defending against such loss, claim, damage, liability or action; *provided, however*, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, the Prospectus, or any amendment or supplement thereto, or, in reliance upon and in conformity with the Underwriter Information. The indemnification obligations under this Section 7(a) are not exclusive and will be in addition to any liability which the Company might otherwise have and shall not limit any rights or remedies which may otherwise be available at law or in equity to each Underwriter Indemnified Party.

(b) The Underwriter will indemnify, defend and hold harmless the Company, its affiliates, directors, officers and employees, and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (each a "**Company Indemnified Party**"), from and against any losses, claims, damages or liabilities to which such Company Indemnified Party may become subject, under the Securities Act or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of the Representative), insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, the Prospectus, or any amendment or supplement thereto, in reliance upon and in conformity with the Underwriter Information, and will reimburse such Company Indemnified Party for any legal or other expenses reasonably incurred by it in connection with defending against any such loss, claim, damage, liability or action. The indemnification obligations under this Section 7(b) are not exclusive and will be in addition to any liability which the Underwriter might otherwise have and shall not limit any rights or remedies which may otherwise be available at law or in equity to each Company Indemnified Party.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof, but the failure to notify the indemnifying party shall not relieve the indemnifying party from any liability that it may have to any indemnified party except to the extent such indemnifying party has been materially prejudiced by such failure. In case any such action shall be brought against any indemnified party, and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate in, and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of the indemnifying party's election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof; provided, however, that if (i) the indemnified party has reasonably concluded (based on advice of counsel) that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party, (ii) a conflict or potential conflict exists (based on advice of counsel to the indemnified party) between the indemnified party and the indemnifying party (in which case the indemnifying party will not have the right to direct the defense of such action on behalf of the indemnified party), or (iii) the indemnifying party has not in fact employed counsel reasonably satisfactory to the indemnified party to assume the defense of such action within a reasonable time after receiving notice of the commencement of the action, the indemnified party shall have the right to employ a single counsel to represent it in any claim in respect of which indemnity may be sought under subsection (a) or (b) of this Section 7, in which event the reasonable fees and expenses of such separate counsel shall be borne by the indemnifying party or parties and reimbursed to the indemnified party as incurred.

(d) The indemnifying party under this Section 7 shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party against any loss, claim, damage, liability or expense by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement, compromise or consent to the entry of judgment in any pending or threatened action, suit or proceeding in respect of which any indemnified party is a party or could be named and indemnity was or would be sought hereunder by such indemnified party, unless such settlement, compromise or consent (i) includes an unconditional release of such indemnified party from all liability for claims that are the subject matter of such action, suit or proceeding and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party. Notwithstanding the foregoing, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel pursuant to Section 7(c), such indemnifying party agrees that it shall be liable for any settlement effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

(e) If the indemnification provided for in this Section 7 is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then the indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriter on the other hand from the offering and sale of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Underwriters on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other hand shall be deemed to be in the same proportion as the total net proceeds from the Offering (before deducting expenses) received by the Company bear to the total Cash Fee received by the Underwriter. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriter and the parties' relevant intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company and the Underwriter agree that it would not be just and equitable if contributions pursuant to this subsection (e) were to be determined by pro rata allocation (even if the Underwriter was treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in the first sentence of this subsection (e). The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (e) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending against any action or claim that is the subject of this subsection (e). No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(f) For purposes of this Agreement, the Underwriter confirms, and the Company acknowledges, that there is no information concerning the Underwriter furnished in writing to the Company by the Underwriter specifically for preparation of or inclusion in the Registration Statement or the Prospectus other than the Underwriter Information.

Section 8. Representations and Indemnities to Survive Delivery. The respective indemnities, agreements, representations, warranties and other statements of the Company or any person controlling the Company, of its officers, and of the Underwriter set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of the Underwriter, the Company, or any of its or their partners, officers or directors or any controlling person, as the case may be, and will survive delivery of and payment for the Offered Securities sold hereunder and any termination of this Agreement. A successor to the Underwriter, or to the Company, its directors or officers or any person controlling the Company, shall be entitled to the benefits of the indemnity, contribution and reimbursement agreements contained in this Agreement.

Section 9. Termination.

(a) This Agreement shall become effective upon the later of: (i) receipt by the Underwriter and the Company of notification of the effectiveness of the Registration Statement or (ii) the execution of this Agreement. The Underwriter shall have the right to terminate this Agreement at any time upon 15 days written notice to the Company, or as practical as possible prior to the consummation of the Closing if: (i) any domestic or international event or act or occurrence has materially disrupted, or in the reasonable opinion of the Underwriter will in the immediate future materially disrupt, the market for the Company's securities or securities in general; or (ii) trading on NASDAQ has been rejected by NASDAQ or made subject to material limitations, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices for securities have been required, on the NASDAQ or by order of the Commission, FINRA or any other governmental authority having jurisdiction; or (iii) a banking moratorium has been declared by any state or federal authority or any material disruption in commercial banking or securities settlement or clearance services has occurred; or (iv) (A) there has occurred any outbreak or escalation of hostilities or acts of terrorism involving the United States or China or there is a declaration of a national emergency or war by the United States or China or (B) there has been any other calamity or crisis or any change in political, financial or economic conditions, if the effect of any such event in (A) or (B), in the reasonable judgment of the Underwriter, is so material and adverse that such event makes it impracticable or inadvisable to proceed with the Offering, sale and delivery of the Securities on the terms and in the manner contemplated by the Prospectus.

(b) Any notice of termination pursuant to this Section 9 shall be in writing.

(c) If this Agreement shall be terminated pursuant to any of the provisions hereof, or if the sale of the Securities provided for herein is not consummated because any condition to the obligations of the Underwriter set forth herein is not satisfied or because of any refusal, inability or failure on the part of the Company to perform any agreement herein or comply with any provision hereof, the Company will, subject to demand by the Underwriter, reimburse the Underwriter for only those out-of-pocket expenses (including the reasonable fees and expenses of their counsel, and expenses associated with a due diligence report), actually incurred by the Underwriter in connection herewith as allowed under FINRA Rule 5110, less any amounts previously paid by the Company, subject to the cap on expenses set forth in Section 1(a)(iii) hereof. To the extent that the Underwriter's out-of-pocket expenses are less than the sums already advanced by the Company to the Underwriter ("**Advances**"), the Underwriter will return to the Company that portion of the Advances not offset by actual expenses.

Section 10. Right of First Refusal The Company agrees that it shall provide the Underwriter the right of first refusal ("Right of First Refusal") for two (2) years from the consummation of a Transaction or termination or expiration of the Engagement Letter to act as financial advisor or to act as joint financial advisor on at least equal economic terms on any public or private financing (debt or equity), merger, business combination, recapitalization or sale of some or all of the equity or assets of the Company (collectively, "Future Services"). In the event the Company notifies the Underwriter of its intention to pursue an activity that would enable the Underwriter to exercise its Right of First Refusal to provide Future Services, the Underwriter shall notify the Company of its election to provide such Future Services, including notification of the compensation and other terms to which the Underwriter claims to be entitled, within thirty (30) days of written notice by the Company. In the event the Company engages the Underwriter to provide such Future Services, the Underwriter will be compensated consistent with Section 2 of the Engagement Letter, unless mutually agreed otherwise by the Company and the Underwriter.

Section 11. Notices. All communications hereunder shall be in writing and shall be mailed, hand delivered, delivered by reputable overnight courier (i.e., Federal Express) or delivered by facsimile or e-mail transmission to the parties hereto as follows:

If to the Underwriter, then to:

Boustead Securities, LLC
6 Venture, Suite 265
Irvine, CA 92618
Attn: Keith Moore
Attn: Daniel J. McClory
Email: Keith@boustead1828.com
Dan@boustead1828.com

With a copy (which shall not constitute notice) to:

Pryor Cashman LLP
7 Times Square
New York, NY 10036
Attn: Elizabeth F. Chen, Esq.
Email: echen@pryorcashman.com

If to the Company:

Jianxin Zhang, Chief Executive Officer
China Liberal Education Holdings Limited
Huateng Century Park Headquarters,
Building A, Level 2
Beijing, PRC
+86-10-6597-8118
Email: mike.zhang@chinaliberal.com

With a copy (which shall not constitute notice) to:

Hunter Taubman Fischer & Li LLC
1450 Broadway, 26th Floor
New York, NY 10018
(212) 530-2206
Attn: Ying Li, Esq.
Email: yli@htflawyers.com

Any party hereto may change the address for receipt of communications by giving written notice to the others.

Section 12. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto, and to the benefit of the employees, officers and directors and controlling persons referred to in Section 7 hereof, and to their respective successors, and personal Underwriter, and no other person will have any right or obligation hereunder.

Section 13. Partial Unenforceability. The invalidity or unenforceability of any section, paragraph or provision of this Agreement shall not affect the validity or enforceability of any other section, paragraph or provision hereof. If any Section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

Section 14. Governing Law Provisions. This Agreement shall be deemed to have been made and delivered in New York and both this Agreement and the transactions contemplated hereby shall be governed as to validity, interpretation, construction, effect and in all other respects by the internal laws of the State of New York, without regard to the conflict of laws principles thereof. Each of the Underwriter and the Company: (i) agrees that any legal suit, action or proceeding arising out of or relating to this Agreement and/or the transactions contemplated hereby shall be instituted exclusively in New York Supreme Court, County of New York, or in the United States District Court for the Southern District of New York, (ii) waives any objection which it may now or hereafter have to the venue of any such suit, action or proceeding, and (iii) irrevocably consents to the jurisdiction of the New York Supreme Court, County of New York, and the United States District Court for the Southern District of New York in any such suit, action or proceeding. Each of the Underwriter and the Company further agrees to accept and acknowledge service of any and all process which may be served in any such suit, action or proceeding in the New York Supreme Court, County of New York, or in the United States District Court for the Southern District of New York and agrees that service of process upon the Company mailed by certified mail to the Company's address shall be deemed in every respect effective service of process upon the Company, in any such suit, action or proceeding, and service of process upon the Underwriter mailed by certified mail to the Underwriter's address shall be deemed in every respect effective service process upon the Underwriter, in any such suit, action or proceeding.

Section 15. General Provisions.

(a) This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations solely with respect to the subject matters hereof. The parties hereby agree further the term of the Boustead Engagement Letter extends by one year from the original expiration date set forth therein. Notwithstanding anything to the contrary set forth herein, it is understood and agreed by the parties hereto that all other terms and conditions of the Boustead Engagement Letter shall remain in full force and effect. This Agreement may be executed in two or more counterparts, each one of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement may not be amended or modified unless in writing and signed by all of the parties hereto, and no condition herein (express or implied) may be waived unless waived in writing by each party whom the condition is meant to benefit. Section headings herein are for the convenience of the parties only and shall not affect the construction or interpretation of this Agreement.

(b) The Company acknowledges that in connection with the Offering of the Securities: (i) the Underwriter has acted at arm's length, is not an agent of, and owes no fiduciary duties to the Company or any other person, (ii) the Underwriter owes the Company only those duties and obligations set forth in this Agreement and (iii) the Underwriter may have interests that differ from those of the Company. The Company waives to the full extent permitted by applicable law any claims it may have against the Underwriter arising from an alleged breach of fiduciary duty in connection with the offering of the Offered Securities.

[The remainder of this page has been intentionally left blank.]

If the foregoing is in accordance with your understanding of our agreement, please sign below whereupon this instrument, along with all counterparts hereof, shall become a binding agreement in accordance with its terms.

Very truly yours,

China Liberal Education Holdings Limited

By: _____

Name: Jianxin Zhang

Title: Chief Executive Officer

The foregoing Underwriting Agreement is hereby confirmed and agreed to of the date first above written.

BOUSTEAD SECURITIES, LLC

By: _____

Name: Keith Moore

Title: Chief Executive Officer

Schedule B
Lock-up Party
[This list may be updated.]

| Locked-up Parties | Ordinary Shares Beneficially Owned | Percentage of Ordinary Shares Prior to the Offering |
|--------------------------|---|--|
|--------------------------|---|--|

| | | |
|---------------------------|--|--|
| Directors/Officers | | |
|---------------------------|--|--|

| | | |
|---------------|--|--|
| Jianxin Zhang | | |
|---------------|--|--|

| | | |
|---------------|--|--|
| Wenhui Zhuang | | |
|---------------|--|--|

| | | |
|--------|--|--|
| Nan Hu | | |
|--------|--|--|

| | | |
|---------------|--|--|
| Ngo Yin Tsang | | |
|---------------|--|--|

| | | |
|---------------|--|--|
| David Sherman | | |
|---------------|--|--|

| | | |
|-----------------|--|--|
| Joseph Levinson | | |
|-----------------|--|--|

| | | |
|-------------------------|--|--|
| 5% Shareholders: | | |
|-------------------------|--|--|

| | | |
|---------------------------|--|--|
| Ever Alpha Global Limited | | |
|---------------------------|--|--|

| | | |
|-----------------|--|--|
| Man Woo Limited | | |
|-----------------|--|--|

| | | |
|-----------------------------|--|--|
| United Glory Global Limited | | |
|-----------------------------|--|--|

| | | |
|-----------------------------|--|--|
| Fulai International Limited | | |
|-----------------------------|--|--|

Schedule C
Form of Lock-up Agreement

[_____], 2019

Boustead Securities, LLC
6 Venture, Suite 265
Irvine, CA 92618

Re: Proposed Public Offering by China Liberal Education Holdings Limited

Ladies and Gentlemen:

The undersigned, a stockholder, director or officer of China Liberal Education Holdings Limited, a Cayman Islands company (the "Company"), understands that Boustead Securities, LLC (the "Underwriter") will act as an underwriter to carry out an offering (the "Offering") of the Company's ordinary shares (the "Securities"). In recognition of the benefit that the Offering will confer upon the undersigned, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with the Underwriter that, without the prior written consent of the Underwriter, during a period of up to 12 months from the date on which the trading of the Securities on the NASDAQ Stock Exchange commences (the "Lock-Up Period"), the undersigned will not, without the prior written consent of the Underwriter, directly or indirectly (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any securities of the Company (including the issuance of Securities upon the exercise of options) (collectively, the "Lock-Up Securities"), whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition, or file, or cause to be filed, any registration statement under the Securities Act of 1933, as amended, with respect to any of the foregoing or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock-Up Securities, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of the Lock-Up Securities or such other securities, in cash or otherwise.

Notwithstanding the foregoing, and subject to the conditions below, the undersigned may transfer the Lock-Up Securities without the prior written consent of the Underwriter as follows, provided that (1) the Underwriter receives a signed lock-up agreement for the balance of the Lock-Up Period from each donee, trustee or transferee, as the case may be, (2) any such transfer shall not involve a disposition for value, (3) such transfers are not required to be reported in any public report or filing with the Securities and Exchange Commission, or otherwise and (4) the undersigned does not otherwise voluntarily effect any public filing or report regarding such transfers:

(1) as a bona fide gift or gifts; or

(2) to any trust or other entity for the direct or indirect benefit of, or wholly-owned by, the undersigned or the immediate family of the undersigned (for purposes of this lock-up agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin); or

(3) if the undersigned is a corporation, partnership, limited liability company, trust or other business entity (1) transfers to another corporation, partnership, limited liability company, trust or other business entity that is a direct or indirect affiliate (as defined in Rule 405 promulgated under the Securities Act of 1933, as amended) of the undersigned or (2) distributions of Ordinary Shares or any security convertible into or exercisable for Ordinary Shares to limited partners, limited liability company members or stockholders of the undersigned; or

(4) if the undersigned is a trust, transfers to the beneficiary of such trust; or

(5) by will, other testamentary document or intestate succession; or

(6) by operation of law pursuant to a qualified domestic order or in connection with a divorce settlement.; or

(7) pursuant to a trading plan established prior to [___], 2019 pursuant to Rule 10b5-1 of the Exchange Act.

The undersigned further agrees that, prior to engaging in any transaction or taking any other action that is subject to the terms of this lock-up agreement during the Lock-Up Period, it will give notice thereof to the Company and will not consummate such transaction or take any such action unless it has received written confirmation from the Company that the Lock-Up Period has expired.

The undersigned understands that, if the Offering shall terminate or be terminated prior to payment for and delivery of the Securities, the undersigned shall be released from all obligations set forth herein.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the Lock-Up Securities except in compliance with the foregoing restrictions.

The undersigned, whether or not participating in the Offering, understands that the Underwriter is proceeding with the Offering in reliance upon this lock-up agreement.

This lock-up agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of laws principles thereof.

[Signature page follows]

Very truly yours,

(Name - Please Print)

(Signature)

Exhibit A
Underwriter's Warrant

THE COMPANIES LAW (AS REVISED)
COMPANY LIMITED BY SHARES
AMENDED AND RESTATED ARTICLES OF ASSOCIATION
OF
CHINA LIBERAL EDUCATION HOLDINGS LIMITED
 中國利伯教育控股有限公司

(Adopted by a Special Resolution passed on July 29, 2019 and effective immediately prior to the completion of the Company's initial public offering of ordinary shares on the Nasdaq Capital Market)

Preliminary

1. The regulations contained in Table A in the First Schedule of the Law shall not apply to the Company and the following regulations shall be the Articles of Association of the Company.
 2. In these Articles:
 - (a) the following terms shall have the meanings set opposite if not inconsistent with the subject or context:

| | |
|--|---|
| “allotment” | shares are taken to be allotted when a person acquires the unconditional right to be included in the Register of Members in respect of those shares; |
| “Articles” | these articles of association of the Company as from time to time amended by Special Resolution; |
| “Audit Committee” | the audit committee of the Company formed by the Board pursuant to Article 102 hereof, or any successor of the audit committee; |
| “Board” or “Board of Directors” | means the board of directors of the Company; |
| “clear days” | in relation to a period of notice means that period excluding both the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect; |
| “Clearing House” | a clearing house recognized by the laws of the jurisdiction in which shares in the capital of the Company (or depository receipts thereof) are listed or quoted on a stock exchange or interdealer quotation system in such jurisdiction; |
| “Company” | the above named company; |
| “Company’s Web-site” | means the website of the Company, its web-address or domain name; |
| “Compensation Committee” or “Remuneration Committee” | the compensation committee or the remuneration committee of the Company formed by the Board pursuant to Article 102 hereof, or any successor of the compensation committee or remuneration committee; |
| “Designated Stock Exchange” | the Nasdaq Capital Market and any other stock exchange or interdealer quotation system on which shares in the capital of the Company are listed or quoted; |
-

| | |
|---------------------------------------|---|
| “Directors” | means the Directors for the time being of the Company or, as the case may be, those Directors assembled as a board or as a committee of the board; |
| “dividend” | includes a distribution or interim dividend or interim distribution; |
| “electronic” | has the same meaning as in the Electronic Transactions Law (as revised); |
| “electronic communication” | a communication sent by electronic means, including electronic posting to the Company’s Website, transmission to any number, address or internet website (including SEC’s website) or other electronic delivery methods as otherwise decided and approved by not less than two-thirds of the vote of the Board; |
| “electronic record” | has the same meaning as in the Electronic Transactions Law (as revised); |
| “electronic signature” | has the same meaning as in the Electronic Transactions Law (as revised); |
| “Equity Securities” | shares and any securities convertible into or exchangeable or exercisable for shares; |
| “Exchange Act” | the Securities Exchange Act of 1934, as amended; |
| “executed” | means any mode of execution; |
| “holder” | in relation to any share, the Member whose name is entered in the Register of Members as the holder of the share; |
| “Indemnified Person” | means every Director, alternate Director, Secretary or other officer for the time being or from time to time of the Company; |
| “Independent Directors” | means a Director who is an independent director as defined in any Designated Stock Exchange Rules or in Rule 10A-3 under the Exchange Act, as the case may be; |
| “Islands” | the British Overseas Territory of the Cayman Islands; |
| “Law” | the Companies Law (as revised); |
| “Member” | has the same meaning as in the Law; |
| “Memorandum” | the memorandum of association of the Company as from time to time amended; |
| “month” | a calendar month; |
| “Nomination and Governance Committee” | the nomination and governance committee of the Company formed by the Board pursuant to Article 102 hereof, or any successor of the nomination and governance committee; |

| | |
|-----------------------|--|
| “officer” | includes a Director or a Secretary; |
| “Ordinary Resolution” | a resolution (i) of a duly constituted general meeting of the Company passed by a simple majority of the votes cast by, or on behalf of, the Members entitled to vote present in person or by proxy and voting at the meeting or (ii) approved in writing by all of the Members entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Members and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed; |
| “Other Indemnitors” | means persons or entities other than the Company that may provide indemnification, advancement of expenses and/or insurance to the Indemnified Persons in connection with such Indemnified Persons involvement in the management of the Company; |
| “paid up” | means paid up as to the par value and any premium payable in respect of the issue of any shares and includes credited as paid up; |
| “Person” | any individual, corporation, general or limited partnership, limited liability company, joint stock company, joint venture, estate, trust, association, organization or any other entity or governmental entity; |
| “Register of Members” | the register of Members required to be kept pursuant to the Law; |
| “Seal” | the common seal of the Company including every duplicate seal; |
| “SEC” | the United States Securities and Exchange Commission of the United States of America or any other federal agency for the time being administering the Securities Act; |
| “Secretary” | any person appointed by the Directors to perform any of the duties of the secretary of the Company, including a joint, assistant or deputy secretary; |
| “Securities Act” | means the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time; |
| “share” | a share in the share capital of the Company, and includes stock (except where a distinction between shares and stock is expressed or implied) and includes a fraction of a share; |
| “signed” | includes an electronic signature or a representation of a signature affixed by mechanical means; |
| “Special Resolution” | a resolution (i) which has been passed by a majority of not less than two-thirds (or, in respect of any resolution to approve any amendments to any provisions of these Articles that relate to or have an impact upon the procedures regarding the election, appointment, removal of Directors and/or the size of the Board, by two-thirds) of such Members as, being entitled to do so, vote in person or by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given or (ii) approved in writing by all of the Members entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Members and the effective date of the Special Resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed; |
| “subsidiary” | a company is a subsidiary of another company if that other company: <ul style="list-style-type: none"> (i) holds a majority of the voting rights in it; (ii) is a member of it and has the right to appoint or remove a majority of its board of directors; or (iii) is a member of it and controls alone, pursuant to an agreement with other members, a majority of the voting rights in it; or |

- (iv) is a subsidiary of a company which is itself a subsidiary of that other company. For the purpose of this definition the expression “company” includes any body corporate established in or outside of the Islands;

“Transfer” with respect to any Equity Securities of the Company, any sale, assignment, Lien, hypothecation, pledge, conveyance in trust, gift, transfer by bequest, devise or descent, or other transfer or disposition of any kind, including, but not limited to, transfers pursuant to divorce or legal separation, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary, involuntarily or by operation of law, directly or indirectly (including the Transfer of a controlling interest in any entity the assets of which consist at least in part of Equity Securities). “transferor” and “transferee” have meanings corresponding to the foregoing;

“Treasury Share” means a Share held in the name of the Company as a treasury share in accordance with the Law;

“U.S. Person” means a Director who is citizen or resident of the United States of America;

“written” and “in writing” includes all modes of representing or reproducing words in visible form including in the form of an electronic record;

- (b) unless the context otherwise requires, words or expressions defined in the law shall have the same meanings herein but excluding any statutory modification thereof not in force when these Articles become binding on the Company;
- (c) unless the context otherwise requires:
- (i) words importing the singular number shall include the plural number and vice-versa;
 - (ii) words importing the masculine gender only shall include the feminine gender; and
 - (iii) words importing persons only shall include companies or associations or bodies of person whether incorporated or not;
- (d) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;
- (e) the headings herein are for convenience only and shall not affect the construction of these Articles;
- (f) references to statutes are, unless otherwise specified, references to statutes of the Islands and, subject to paragraph (b) above, include any statutory modification or re-enactment thereof for the time being in force; and
- (g) where an Ordinary Resolution is expressed to be required for any purpose, a Special Resolution is also effective for that purpose.

Commencement of Business

3. The business of the Company may be commenced as soon after incorporation as the Directors shall see fit, notwithstanding that only some of the shares may have been allotted.
4. The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company including the expenses of registration.

Situation of offices of the Company

5. (a) The registered office of the Company shall be situated at the office of Campbells Corporate Services Limited, Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands, or at such other place in the Cayman Islands as the directors may at any time decide.
- (b) The Company, in addition to its registered office, may establish and maintain such other offices, places of business and agencies in the Islands and elsewhere as the Directors may from time to time determine.

Shares

6. (a) Subject to the rules of any Designated Stock Exchange and to the provisions, if any, in the Memorandum and these Articles, the Directors have general and unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any unissued shares in the capital of the Company without the approval of holders of Shares (whether forming part of the original or any increased share capital), either at a premium or at par, with or without preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise and to such persons, on such terms and conditions, and at such times as the Directors may decide, but so that no share shall be issued at a discount, except in accordance with the provisions of the Law. In particular and without prejudice to the generality of the foregoing, the Board is hereby empowered to authorize by resolution or resolutions from time to time and without the approval of holders of Shares the issuance of one or more classes or series of preferred Shares, to cause to be issued such preferred shares and to fix the designations, powers, preferences and relative, participating, optional and other rights, if any, and the qualifications, limitations and restrictions thereof, if any, including, without limitation, the number of shares constituting each such class or series, dividend rights, conversion rights, redemption privileges, voting powers, full or limited or no voting powers, and liquidation preferences, and to increase or decrease the size of any such class or series (but not below the number of Shares of any class or series of preferred Shares then outstanding) to the extent permitted by Law. Without limiting the generality of the foregoing, the resolution or resolutions providing for the establishment of any class or series of preferred shares may, to the extent permitted by law, provide that such class or series shall be superior to, rank equally with or be junior to the preferred Shares of any other class or series.
 - (b) The Company shall not issue shares or warrants to bearer.
 - (c) Subject to the rules of any Designated Stock Exchange, the Directors have general and unconditional authority to issue warrants or convertible securities of similar nature conferring the right upon the holders thereof to subscribe for, purchase or receive any class of shares or securities in the capital of the Company to such persons, on such terms and conditions, and at such times as the Directors may decide.
 - (d) The Company may issue fractions of a share of any class and a fraction of a share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contribution, calls or otherwise howsoever), limitations, preferences, privileges, qualifications, restrictions, rights and other attributes of a whole share of that class of shares.
7. The Company may, in so far as the Law permits, pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the capital of the Company. Such commissions may be satisfied by the payment of cash or the allotment of fully or partly paid up shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage fees as may be lawful.
 8. Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share (except only as by these Articles or by law otherwise provided) or any other rights in respect of any share except an absolute right to the entirety thereof in the holder.
 9. (a) If at any time the share capital is divided into different classes of shares, the rights attached to any class of shares (unless otherwise provided by these Articles or the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of two-thirds of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be any one or more persons holding or representing by proxy not less than one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll;
 - (b) The rights conferred upon the holders of the shares of any class shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
10. The Directors may accept contributions to the capital of the Company otherwise than in consideration of the issue of shares and the amount of any such contribution shall, unless otherwise agreed at the time of such contribution is made, be treated as share premium and shall be subject to the provisions of the Law and these Articles applicable to share premium.

Share Certificates

11. A Member shall only be entitled to a share certificate if the Directors resolve that share certificates shall be issued. Share certificates representing Shares, if any, shall be in such form as the Directors may determine. Share certificates shall be signed by one or more Directors or other person authorized by the Directors. The Directors may authorize certificates to be issued with the authorized signature(s) affixed by mechanical process. All certificates for Shares shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. All certificates surrendered to the Company for transfer shall be cancelled and subject to the Articles and no new certificate shall be issued until the former certificate representing a like number of relevant Shares shall have been surrendered and cancelled. The Company shall be authorized to issue Shares in uncertificated form.
12. Every share certificate of the Company shall bear legends required under the applicable laws, including the Securities Act.
13. If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the Directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery to the Company of the old certificate.

Lien

14. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount in respect of it.
15. The Company may sell in such manner as the Directors determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen (14) clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.
16. To give effect to a sale the Directors may authorize some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity or invalidity in the proceedings in reference to the sale.
17. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

Calls on shares and Forfeiture

18. Subject to the terms of allotment, the Directors may make calls upon the Members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each Member shall (subject to receiving at least fourteen (14) clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by installments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or in part and payment of a call may be postponed in whole or in part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
19. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing the call was passed.
20. The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share.
21. If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at an annual rate of ten percent (10%) but the Directors may waive payment of the interest wholly or in part.
22. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an installment of a call, shall be deemed to be a call, and if it is not paid when due all the provisions of the Articles shall apply as if that amount had become due and payable by virtue of a call.

23. Subject to the terms of allotment, the Directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.
24. If a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than fourteen (14) clear days' notice requiring payment of the amount unpaid, together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.
25. If the notice is not complied with any share in respect of which it was given may, before the payment is required by the notice has been made, be forfeited by a resolution of the Directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
26. Subject to the provisions of the Law, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors determine either to the person who was before the forfeiture the holder or to any other person, and at any time before a sale, re-allotment or other disposition, the forfeiture may be canceled on such terms as the Directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the Directors may authorize any person to execute an instrument of transfer of the share to that person.
27. A person any of whose shares have been forfeited shall cease to be a Member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at an annual rate of ten percent (10%) from the date of forfeiture until payment but the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
28. A statutory declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

Transfer of Shares

29. Subject to these Articles, any Member may transfer all or any of his shares by an instrument of transfer in the usual or common form or in a form prescribed by any Designated Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a Clearing House, by hand or by electronic machine imprinted signature or by such other manner of execution as the Board may approve from time to time.
30. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case which it thinks fit in its discretion to do so. Without prejudice to Article 29, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof. Nothing in these Articles shall preclude the Board from recognizing a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.
31. (1) The Board may, in its absolute discretion, and without giving any reason therefore, refuse to register a transfer of any share that is not a fully paid up share to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also, without prejudice to the foregoing generality, refuse to register a transfer of any share to more than four joint holders or a transfer of any share that is not a fully paid up share on which the Company has a lien.

(2) The Board may, in its absolute discretion, and without giving any reason therefore, determine that the Company shall maintain one or more branch registers of Members in accordance with the Law. The Board may also, in its absolute discretion, and without giving any reason therefore, determine which register of Members shall constitute the principal register and which shall constitute the branch register or registers, and to vary such determination from time to time.
32. Without limiting the generality of Article 31, the Board may decline to recognize any instrument of transfer unless:
 - (a) a fee of such maximum sum as any Designated Stock Exchange may determine to be payable or such lesser sum as the Board may from time to time require is paid to the Company in respect thereof;

- (b) the instrument of transfer is in respect of only one class of shares;
 - (c) the Shares are fully paid and free of any lien;
 - (d) the instrument of transfer is lodged at the registered office or such other place at which the Register of Members is kept in accordance with the accompanied by any relevant share certificate(s) and/or such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and
 - (e) if applicable, the instrument of transfer is duly and properly stamped.
33. If the Directors refuse to register a transfer of a share, they shall within one month after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
34. The registration of transfers of shares or of any class of shares may, after compliance with any notice requirement of any Designated Stock Exchange, be suspended and the Register of Members be closed at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine.
35. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

Transmission of Shares

36. If a Member dies the survivor, or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders shall be the only persons recognized by the Company as having any title to his interest; but nothing in the Articles shall release the estate of a deceased Member from any liability in respect of any share which had been jointly held by him.
37. A person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as the Directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the Articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the Member and the death or bankruptcy of the Member had not occurred.
38. A person becoming entitled to a share by reason of the death or bankruptcy of a Member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares in the Company.

Changes of Capital

39. (a) Subject to and in so far as permitted by the provisions of the Law, the Company may from time to time by Ordinary Resolution alter or amend the Memorandum to:
- (i) increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe;
 - (ii) consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
 - (iii) convert all or any of its paid up shares into stock and reconvert that stock into paid up shares of any denomination;
 - (iv) sub-divide its existing shares, or any of them, into shares of smaller amounts than is fixed by the Memorandum; and
 - (v) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.
- (b) Except so far as otherwise provided by the conditions of issue, the new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

40. Whenever as a result of a consolidation of shares any Members would become entitled to fractions of a share, the Directors may, on behalf of those Members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Law, the Company) and distribute the net proceeds of sale in due proportion among those Members, and the Directors may authorize some person to execute an instrument of transfer of the shares to, or in accordance with the directions of the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
41. The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner and with, and subject to, any incident, consent, order or other matter required by law.

Redemption and Purchase of Own Shares

42. Subject to the provisions of the Law and these Articles, the Company may:
 - (a) issue shares on terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the Member on such terms and in such manner as the Directors may, before the issue of shares, determine;
 - (b) purchase its own shares (including any redeemable shares) in such manner and on such terms as the Directors may determine and agree with the relevant Member; and
 - (c) make a payment in respect of the redemption or purchase of its own shares in any manner authorized by the Law, including out of capital.
43. The Directors may, when making a payment in respect of the redemption or purchase of shares, if so authorized by the terms of issue of the shares (or otherwise by agreement with the holder of such shares) make such payment in cash or in specie (or partly in one and partly in the other).
44. Upon the date of redemption or purchase of a share, the holder shall cease to be entitled to any rights in respect thereof (excepting always the right to receive (i) the price therefore and (ii) any dividend which had been declared in respect thereof prior to such redemption or purchase being effected) and accordingly his name shall be removed from the Register of Members with respect thereto and the share shall be cancelled.

Treasury Shares

45. The Directors may, prior to the purchase, redemption or surrender of any Share, determine that such Share shall be held as a Treasury Share.
46. The Directors may determine to cancel a Treasury Share or transfer a Treasury Share on such terms as they think proper (including, without limitation, for nil consideration).

Register of Members

47. The Company shall maintain or cause to be maintained an overseas or local Register of Members in accordance with the Law.
48. The Directors may determine that the Company shall maintain one or more branch registers of Members in accordance with the Law. The Directors may also determine which register of Members shall constitute the principal register and which shall constitute the branch register or registers, and to vary such determination from time to time.

Closing Register of Members or Fixing Record Date

49. For the purpose of determining Members entitled to notice of, or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any dividend or other distribution, or in order to make a determination of Members for any other purpose, the Directors may provide that the Register of Members shall be closed for transfers for a stated period which shall not in any case exceed forty (40) clear days. If the Register shall be so closed for the purpose of determining those Members that are entitled to receive notice of, attend or vote at a meeting of Members, the Register shall be so closed for at least ten (10) clear days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the Register.
50. In lieu of, or apart from, closing the Register of Members, the Directors may fix in advance or arrears a date as the record date for any such determination of Members entitled to notice of, or to vote at any meeting of the Members or any adjournment thereof, or for the purpose of determining the Members entitled to receive payment of any dividend or other distribution, or in order to make a determination of Members for any other purpose.
51. If the Register of Members is not so closed and no record date is fixed for the determination of Members entitled to notice of, or to vote at, a meeting of Members or Members entitled to receive payment of a dividend or other distribution, the date on which notice of the meeting is sent or posted or the date on which the resolution of the Directors resolving to pay such dividend or other distribution is passed, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Article, such determination shall apply to any adjournment thereof.

General Meetings

52. All general meetings other than annual general meetings shall be called extraordinary general meetings and the Company shall specify the meeting as such in the notices calling it.
53. An annual general meeting of the Company shall be held in each year (other than the year in which these Articles were adopted) at such time as determined by the Board and the Company may, but shall not (unless required by the Law) be obliged to, in each year hold any other general meeting. The agenda of the annual general meeting shall include the adoption of the Company's annual accounts, the appropriation of the Company's profits among other items included in the agenda by the Board.
54. At these meetings the report of the Directors (if any) shall be presented and they can take place in any other the Directors may decide.
55. The Directors may, whenever they think fit, convene an extraordinary general meeting of the Company, and they shall on a Members' requisition in accordance with the Articles forthwith proceed to convene an extraordinary general meeting of the Company.
56. A Members' requisition is a requisition of Members holding at the date of deposit of the requisition not less than two-thirds, in par value of the issued shares which as at that date carry the right to vote at general meetings of the Company.
57. The Members' requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the registered office, and may consist of several documents in like form each signed by one or more requisitionists.
58. If there are no Directors as at the date of the deposit of the Members' requisition or if the Directors do not within twenty-one days from the date of the deposit of the Members' requisition duly proceed to convene a general meeting to be held within a further twenty-one days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of the requisitionists, may themselves convene a general meeting, but any meeting so convened shall be held no later than the day which falls three months after the expiration of the said twenty-one day period.
59. A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.
60. Notwithstanding any other provision of the Articles, the Members who requisition a meeting:
 - a) May propose only Ordinary Resolutions to be considered and voted upon at such meeting; and
 - b) Shall have no right to propose any resolutions with respect to the election, appointment or removal of Directors or with respect to the size of the Board of Directors.
61. Save as set out in Articles 52 to 60, the Members have no right to propose resolutions to be considered or voted upon at annual general meetings or extraordinary general meetings of the Company.

Notice of General Meetings

62. At least ten (10) clear days' notice specifying the place, the day and the hour of each general meeting and the general nature of such business to be transacted thereat shall be given in the manner hereinafter provided, or in such other manner (if any) as may be prescribed by Ordinary Resolution, to such persons as are entitled to vote or may otherwise be entitled under these Articles to receive such notices from the Company; provided that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of the Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:
 - (a) in the case of an annual general meeting, by all of the Members entitled to attend and vote thereat; and
 - (b) in the case of an extraordinary general meeting, by a majority in number of the Members having a right to attend and vote at the meeting, together holding not less than 95%, in par value of the Shares giving that right.
63. The accidental omission to give notice of a general meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that general meeting.

Proceedings at General Meetings

64. No business shall be transacted at any meeting unless a quorum is present at the time when the meeting proceeds to business. Members holding not less than an aggregate of one-third in nominal value of the total issued voting shares in the Company entitled to vote upon the business to be transacted, shall be a quorum.
65. If a quorum is not present within half an hour from the time appointed for the meeting to commence or if during such a meeting a quorum ceases to be present, the meeting, if convened upon a Members' requisition, shall be dissolved and in any other case it shall stand adjourned and shall reconvene on the same day in the next week at the same time and/or place or to such other day, time and/or place as the Directors may determine, and if at the reconvened meeting a quorum is not present within half an hour from the time appointed for the meeting to commence, the Members present shall be a quorum.
66. If the Directors wish to make this facility available for a specific general meeting or all general meetings of the Company, participation in any general meeting of the Company may be by means of a telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.
67. The chairman of the board of Directors or in his absence some other Director nominated by the Directors shall preside as chairman of the meeting, but if neither the chairman nor such other Director (if any) is present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be chairman and, if there is only one Director present and willing to act, he shall be chairman. If no Director is willing to act as chairman, or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present in person or by proxy and entitled to vote shall choose one of their number to be chairman.
68. The order of business at each such meeting shall be as determined by the chairman of the meeting. The chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts and things as are necessary or desirable for the proper conduct of the meeting, including, without limitation, the establishment of procedures for the maintenance of order and safety, limitations on the time allotted to questions or comments on the affairs of the Company, restrictions on entry to such meeting after the time prescribed for the commencement thereof, and the opening and closing of the polls. The chairman of the meeting shall announce at each such meeting the date and time of the opening and the closing of the polls for each matter upon which the Members will vote at such meeting.
69. A Director shall, notwithstanding that he is not a Member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.
70. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven (7) clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
71. At each meeting of the Members, all corporate actions, including the election of Directors, to be taken by vote of the Members (except as otherwise required by applicable law and except as otherwise provided in these Articles) shall be authorized by Ordinary Resolution. Where a separate vote by a class or classes or series is required, the affirmative vote of the majority of Shares of such class or classes or series present in person or represented by proxy at the meeting shall be the act of such class or series (unless provided otherwise in the resolutions providing for the issuance of such series).
72. At any general meeting a resolution put to the vote of the meeting shall be decided on a poll.
73. A poll shall be taken in such manner as the chairman directs and he may appoint scrutineers (who need not be Members) and fix a place and time for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
74. In the case of equality of votes, the chairman shall be entitled to a casting vote in addition to any other vote he may have.

75. Any action required or permitted to be taken at any annual or extraordinary general meetings of the Company may be taken only upon the vote of the Members at an annual or extraordinary general meeting duly noticed and convened in accordance with these Articles and the Law and may not be taken by written resolution of the Members.
76. If for so long as the Company has only one Member:
- (a) in relation to a general meeting, the sole Member or a proxy for that Member or (if the Member is a corporation) a duly authorized representative of that Member is a quorum and Article 64 is modified accordingly;
 - (b) the sole Member may agree that any general meeting be called by shorter notice than that provided for by the Articles; and
 - (c) all other provisions of the Articles apply with any necessary modification (unless the provision expressly provides otherwise).

Votes of Members

77. Subject to any rights or restrictions attached to any shares, every Member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorized representative not being himself a Member entitled to vote, shall have one vote, and on a poll every Member and every person representing a Member by proxy shall have one vote for every share of which he is the holder.
78. In the case of joint holders, the vote of the senior joint holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the Register of Members.
79. A Member in respect of whom an order has been made by any court having jurisdiction (whether in the Islands or elsewhere) in matters concerning mental disorder may vote, by his receiver, *curator bonis* or other person authorized in that behalf appointed by that court, and any such receiver, *curator bonis* or other person may vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be received at the registered office of the Company, or at such other place as is specified in accordance with the Articles for the deposit or delivery of forms of appointment of a proxy, or in any other manner specified in the Articles for the appointment of a proxy, not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
80. No Member shall, unless the Directors otherwise determine, be entitled to vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.
81. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
82. Votes may be given either personally or by proxy. Deposit or delivery of a form of appointment of a proxy does not preclude a Member from attending and voting at the meeting or at any adjournment of it.
83. A Member entitled to more than one vote need not, if he votes, use all his votes or cast all votes he uses the same way.
84. Subject as set out herein, an instrument appointing a proxy shall be in writing in any usual form or in any other form which the Directors may approve and shall be executed by or on behalf of the appointor save that, subject to the Law, the Directors may accept the appointment of a proxy received in an electronic communication at an address specified for such purpose, on such terms and subject to such conditions as they consider fit. The Directors may require the production of any evidence which they consider necessary to determine the validity of any appointment pursuant to this Article.
85. The form of appointment of a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may:
- (a) in the case of an instrument in writing, be left at or sent by post to the registered office of the Company or such other place within the Islands as is specified in the notice convening the meeting or in any form of appointment of proxy sent out by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the form of appointment of proxy proposes to vote;

- (b) in the case of an appointment of a proxy contained in an electronic communication, where an address has been specified by or on behalf of the Company for the purpose of receiving electronic communications:
- (i) in the notice convening the meeting; or
 - (ii) in any form of appointment of a proxy sent out by the Company in relation to the meeting; or
 - (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting;
- be received at such address at any time before the time for holding the meeting or adjourned meeting at which the person named in the form of appointment of proxy proposes to vote;
- (c) in the case of a poll taken more than forty-eight hours after it is demanded, be deposited or delivered as required by paragraphs (a) or (b) of this Article after the poll has been demanded and at any time before the time appointed for the taking of the poll; or
- (d) where the poll is taken immediately but is taken not more than forty-eight hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any Director;

and a form of appointment of proxy which is not deposited or delivered in accordance with this Article is invalid.

86. Any corporation or other non-natural person which is a Member of the Company may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members, and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Member.
87. A vote or poll demanded by proxy or by the duly authorized representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the registered office of the Company or, in the case of a proxy, any other place specified for delivery or receipt of the form of appointment of proxy or, where the appointment of a proxy was contained in an electronic communication, at the address at which the form of appointment was received, before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

Number of Directors

88. The Board shall consist of such number of Directors as a majority of the Directors then in office may determine from time to time, and subject always to the rights (if any) of the holders of preferred shares (if any) to elect additional directors under specified circumstances.
89. The Board of Directors may elect to have a chairman of the Board of Directors elected and appointed by a majority of the Directors then in office. The Directors may also elect a vice-chairman of the Board of Directors. The period for which the chairman and the vice-chairman shall hold office shall also be determined by a majority of all of the Directors then in office. The chairman of the Board of Directors shall preside as chairman at every meeting of the Board of Directors. To the extent the chairman of the Board of Directors is not present at a meeting of the Board of Directors, the vice-chairman of the Board of Directors (if any), or in his absence, the attending Directors may choose one Director to be the chairman of the meeting. Observed Article 122 below, the chairman of the Board of Directors' voting rights as to the matters to be decided by the Board of Directors shall be the same as other Directors.
90. The Board may, from time to time, and except as required by applicable law or the listing rules of any Designated Stock Exchange, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives, which shall be intended to set forth the policies of the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.

Alternate Directors

91. Any Director (but not an alternate Director) may by writing appoint any other Director, or any other person willing to act, to be an alternate Director and by writing may remove from office an alternate Director so appointed by him.
92. An alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at every such meeting at which the Director appointing him is not personally present, to sign any written resolution of the Directors, and generally to perform all the functions of his appointor as a Director in his absence.
93. An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director.
94. Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.
95. Subject to the provisions of the Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and shall not be deemed to be the agent of the Director appointing him.

Proxy Directors

96. (a) A Director but not an alternate Director may be represented at any meetings of the Board of Directors by a proxy appointed by him in which event the presence or vote of the proxy shall for all purposes be deemed to be that of the Director.
- (b) The provisions of Articles 82 to 87 shall *mutatis mutandis* apply to the appointment of proxies by Directors.

Any person appointed as a proxy pursuant to paragraph (a) above shall be the agent of the Director, and not an officer of the Company.

Powers of Directors

97. Subject to the provisions of the Law, the Memorandum and the Articles, and to any directions given by Ordinary Resolution and the listing rules of any Designated Stock Exchange, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Directors by the Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.
98. The Board may exercise all the powers of the Company to raise capital or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Law, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Delegation of Directors' Powers

99. Subject to these Articles, the Directors may from time to time appoint any Person, whether or not a director of the Company, to hold such office in the Company as the Directors may think necessary for the administration of the Company, including without prejudice to the foregoing generality, the office of the chief executive officer, chief technology officer and chief financial officer, one or more vice presidents, managers or controllers, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit.
100. The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.
101. Subject to applicable law and the listing rules of any Designated Stock Exchange, the Directors may delegate any of their powers to any committee (including, without limitation, an Audit Committee, Compensation Committee or Remuneration Committee and Nomination and Governance Committee), consisting of one or more Directors. They may also delegate to any managing Director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of its own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more Members shall be governed by the provisions of the Articles regulating the proceedings of Directors so far as they are capable of applying. Where a provision of the Articles refers to the exercise of a power, authority or discretion by the Directors and that power, authority or discretion has been delegated by the Directors to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee.
102. The Board may establish an Audit Committee, a Compensation Committee or Remuneration Committee and a Nomination and Governance Committee and, if such committees are established, it shall adopt formal written charters for such committees and review and assess the adequacy of such formal written charters on an annual basis. Each of these committees shall be empowered to do all things necessary to exercise the rights of such committee set forth in these Articles and shall have such powers as the Board may delegate pursuant to Article 101. Each of the Audit Committee, the Compensation Committee or the Remuneration Committee and the Nomination and Governance Committee, if established, shall consist of such number of directors as the Board shall from time to time determine (or such minimum number as may be required from time to time by any Designated Stock Exchange). For so long as any class of Shares are listed on a Designated Stock Exchange, the Audit Committee, the Compensation Committee or the Remuneration Committee and the Nomination and Governance Committee shall be made up of such number of Independent Directors as required from time to time by any Designated Stock Exchange Rules or otherwise required by applicable law.

Appointment, Disqualification and Removal of Directors

103. The first directors shall be appointed in writing by the subscriber or subscribers to the Memorandum.
104. Each Director shall hold office until his successor is duly elected or appointed or his earlier resignation or removal notwithstanding any agreement between the Company and such Director. Directors are eligible for re- election.
105. Subject to Article 111, any vacancies on the Board arising other than upon the expiry of a Director's term at an annual general meeting can be filled only by the affirmative vote of a simple majority of the remaining Directors holding office (notwithstanding that the remaining Directors may constitute less than a quorum) appointing an interim Director to fill such vacancy until the next annual general meeting of Members. Additions to the existing Board can be filled only by the affirmative vote of a simple majority of the remaining Directors holding office (notwithstanding that the remaining Directors may constitute less than a quorum).
106. Members do not have the right to nominate, elect or remove Directors, or to fill any Board vacancies arising other than upon the expiry of a Director's term at an annual general meeting pursuant to Article 103.
107. There is no age limit for Directors of the Company.
108. No shareholding qualification shall be required for a Director. A Director who is not a Member shall nevertheless be entitled to receive notice of and to attend and speak at general meetings of the Company.
109. The Board must at all times comply with the residency and citizenship requirements of U.S. securities laws applicable to foreign private issuers and shall at no time have a majority of Directors who are U.S. Persons. Notwithstanding any other provision in these Articles, no appointment or election of a U.S. Person as a Director shall be permitted if such appointment or election would have the effect of creating a majority of Directors who are U.S. Persons, and any such appointment or election shall be disregarded for all purposes.
110. The office of a Director shall be vacated if:
 - (a) he becomes prohibited by law from being a Director;
 - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - (c) he dies, or is, in the opinion of all his co-Directors, incapable by reason of mental disorder of discharging his duties as Director;
 - (d) he resigned his office by notice to the Company;
 - (e) he has for more than six months been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that his office be vacated;
111. In the event of a vacancy, a replacement Director shall be nominated by a simple majority of the remaining Directors holding office, or if a Nomination and Governance Committee has been established, by such committee, upon which the remaining Directors holding office may elect and appoint any such nominee as an interim Director pursuant to Article 105.

Remuneration of Directors

112. The Directors shall be entitled to such remuneration as the Board may determine and, unless otherwise determined, the remuneration shall be deemed to accrue from day to day. If established, the Compensation Committee or the Remuneration Committee will assist the Board in reviewing and approving compensation decisions.
113. A Director who, at the request of the Directors, goes or resides outside of the Islands, makes a special journey or performs a special service on behalf of the Company may be paid such reasonable additional remuneration (whether by way of salary, percentage of profits or otherwise) and expenses as the Directors may decide.

Directors' Expenses

114. The Directors may be paid all traveling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

Directors' Appointments and Interests

115. The Directors may appoint one or more of their body to the office of managing Director or to any other executive office under the Company, and the Company may enter into an agreement or arrangement with any Director for his/her employment, subject to applicable law and any listing rules of the SEC or any Designated Stock Exchange, or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms as the Directors determine and they may remunerate any such Director for his services as they think fit. Any appointment of a Director to an executive office shall terminate automatically if he ceases to be a Director but without prejudice to any claim to damages for breach of the contract of service between the Director and the Company.
116. Subject to the Law and listing rules of any Designated Stock Exchange, if he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - (b) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
 - (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
117. For the purposes of the preceding Article:
- (a) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
 - (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
118. A Director must disclose any material interest pursuant to the Articles, and such Director may not vote at any meeting of Directors or of a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty. The Director shall be counted in the quorum present at a meeting when any such resolution is under consideration and such resolution may be passed by a majority of the disinterested Directors present at the meeting even if such disinterested Directors together constitute less than a quorum.
119. Notwithstanding the foregoing, no "Independent Director" as defined in the rules of any Designated Stock Exchange or in Rule 10A-3 under the Exchange Act, and with respect of whom the Board has determined constitutes an "Independent Director" for purposes of compliance with applicable law or the Company's listing requirements, shall without the consent of the Audit Committee take any of the foregoing actions or any other action that would reasonably be likely to affect such Director's status as an "Independent Director" of the Company.

Directors' Gratuities and Pensions

120. The Directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any existing Director or any Director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

Proceedings of Directors

121. The quorum for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed shall be equal to a majority of the Directors then holding office if there are two or more Directors, and shall be one if there is only one Director. A person who holds office as an alternate Director shall, if his appointor is not present, be counted in the quorum. A Director who also acts as an alternate Director shall, if his appointor is not present, count twice towards the quorum.
122. Subject to the provisions of the Articles, the Directors may regulate their proceedings as they determine is appropriate. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. A Director who is also an alternate Director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
123. Meetings of the Directors shall be held at least once every calendar quarter and shall take place either in China or in the United States or elsewhere previously agreed among the Directors. A person may participate in a meeting of the Directors or any committee of Directors by conference telephone or other communications equipment by means of which all the persons participating in the meeting can communicate with each other at the same time. Participation by a person in a meeting in this manner is treated as presence in person at that meeting and is counted in a quorum and entitled to vote.
124. A resolution in writing (in one or more counterparts) signed by all the Directors or all the members of a committee of the Directors (an alternate Director being entitled to sign such a resolution on behalf of his appointor and if such alternate Director is also a Director, being entitled to sign such resolution both on behalf of his appointor and in his capacity as a Director) shall be as valid and effectual as if it had been passed at a meeting of the Directors, or committee of Directors as the case may be, duly convened and held.
125. A Director or alternate Director may, or other officer of the Company on the direction of a Director or alternate Director shall, call a meeting of the Directors by at least five (5) clear days' notice in writing to every Director and alternate Director which notice shall set forth the general nature of the business to be considered unless notice is waived by all the Directors (or their alternates) either at, before or after the meeting is held. To any such notice of a meeting of the Directors all the provisions of the Articles relating to the giving of notices by the Company to the Members shall apply *mutatis mutandis*.
126. The continuing Directors (or a sole continuing Director, as the case may be) may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to the Articles as the necessary quorum of Directors the continuing Directors or Director may act for the purpose of increasing the number of Directors to be equal to such fixed number, or of summoning a general meeting of the Company, but for no other purpose.
127. The Directors may elect a chairman of their board and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within thirty minutes after the time appointed for the meeting to commence, the Directors present may choose one of their number to be chairman of the meeting.
128. All acts done by any meeting of the Directors or of a committee of the Directors (including any person acting as an alternate Director) shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or alternate Director, and/or that they or any of them were disqualified, and/or had vacated their office and/or were not entitled to vote, be as valid as if every such person had been duly appointed and/or not disqualified to be a Director or alternate Director and/or had not vacated their office and/or had been entitled to vote, as the case may be.
129. A Director who is present at a meeting of the Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Company immediately after the conclusion of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

Secretary and other officers

130. The Directors may by resolution appoint a Secretary and may by resolution also appoint such other officers as may from time to time be required upon such terms as the duration of office, remuneration and otherwise as they may think fit. Such Secretary or other officers need not be Directors and in the case of the other officers may be ascribed such titles as the Directors may decide. The Directors may by resolution remove any Secretary or other officer appointed pursuant to this Article.

Minutes

131. The Directors shall cause minutes to be made in books kept for the purposes of recording:
- (a) all appointments of officers made by the Directors; and
 - (b) all resolutions and proceedings of meetings of the Company, of the holders of any class of shares in the Company, and of the Directors, and of committees of Directors, including the names of the Directors present at each such meeting.

Seal

132. (a) The Company may, if the Directors so determine, have a Seal. The Seal shall only be used by the authority of the Directors or of a committee of Directors authorized by the Directors. The Directors may determine who shall sign any instrument to which the Seal is affixed, and unless otherwise so determined every such instrument shall be signed by a Director and by the Secretary or by a second Director.
- (b) The Company may have for use in any place or places outside the Islands a duplicate Seal or Seals, each of which shall be a reproduction of the Seal of the Company and, if the Directors so determine, shall have added on its face the name of every place where it is to be used.
- (c) The Directors may by resolution determine (i) that any signature required by this Article need not be manual, but may be affixed by some other method or system of reproduction or mechanical or electronic signature and/or; (ii) that any document may bear a printed reproduction of the Seal in lieu of affixing the Seal thereto.
- (d) No document or deed otherwise duly executed and delivered by or on behalf of the Company shall be regarded as invalid merely because at the date of the delivery of the deed or document, the Director, Secretary or other officer or person who shall have executed the same or affixed the Seal thereto, as the case may be, for and on behalf of the Company shall have ceased to hold such office and authority on behalf of the Company.

Dividends

133. Subject to the provisions of the Law, the Company may by Ordinary Resolution declare dividends (including interim dividends) in accordance with the respective rights of the Members, but no dividend shall exceed the amount recommended by the Directors.
134. Subject to the provisions of the Law, the Directors may declare dividends in accordance with the respective rights of the Members and authorize payment of the same out of the funds of the Company lawfully available therefore. If at any time the share capital is divided into different classes of shares the Directors may pay dividends on shares which confer deferred or non-preferred rights with regard to dividends as well as on shares which confer preferential rights with regard to dividends, but no dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears that there are sufficient funds of the Company lawfully available for distribution to justify the payment. Provided the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of a dividend on any shares having deferred or non-preferred rights.
135. The Directors may, before recommending or declaring any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares in the capital of the Company) as the Directors may from time to time think fit.
136. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be paid in proportion to the number of shares a Member holds during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
137. The Directors may deduct from a dividend or other amounts payable to a person in respect of a share any amounts due from him to the Company on account of a call or otherwise in relation to a share.
138. Any Ordinary Resolution, or Directors' resolution declaring a dividend may direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to such distribution, the Directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any Member upon the footing of the value so fixed in order to adjust the rights of Members and may vest any assets in trustees.
139. Any dividend or other moneys payable on or in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the Register of Members or to such person and to such address as the person or persons entitled may in writing direct. Subject to any applicable law or regulations, every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.

140. No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.
141. Any dividend which has remained unclaimed for six years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.

Accounting Records and Audit

142. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors. The books of account shall be kept at the registered office, or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
143. The Directors may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by applicable law, listing rules of any Designated Stock Exchange, or authorized by the Directors or by Ordinary Resolution.
144. Subject to Article 143, a printed copy of the Directors' report, accompanied by the consolidated statements of financial position, profit or loss, comprehensive income (loss), cash flows and changes in members' equity, including every document required by the Law to be annexed thereto, made up to the end of the applicable financial year, shall be sent to each person entitled thereto at least ten (10) days before the date of the general meeting and laid before the Company at the annual general meeting held in accordance with Article 53 provided that this Article 144 shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares.
145. The requirement to send to a person referred to in Article 144 the documents referred to in that Article shall be deemed satisfied where, in accordance with all applicable laws, rules and regulations, including, without limitation, the rules of any Designated Stock Exchange, the Company publishes copies of the documents referred to in Article 144 on the Company's Web-sites, transmits it to SEC's website or in any other permitted manner (including by sending any other form of electronic communication), and that person has agreed or is deemed by the Company to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.
146. Respected Article 147 below, subject to the applicable law and rules of any Designated Stock Exchange, the accounts relating to the Company's affairs shall be audited in such manner as may be determined from time to time by the Company by Ordinary Resolution or failing any such determination by the Directors or failing any determination as aforesaid shall not be audited.
147. The Audit Committee (or in the absence of such an Audit Committee, the Board) shall appoint an auditor of the Company who shall hold office until removed from office by a resolution of the Audit Committee (or the Board, as applicable) and shall fix his or their remuneration.
148. Every auditor of the Company shall have a right of access at all times to the books and accounts of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.

Capitalization of Profits

149. The Directors may:
- (a) subject as provided in this Article, resolve to capitalize any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
 - (b) appropriate the sum resolved to be capitalized to the Members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such sum, and allot the shares or debentures credited as fully paid to those Members, or as they may direct, in those proportions, or partly in one way and partly in the other;
 - (c) resolve that any shares so allotted to any Member in respect of a holding by him of any partly-paid shares rank for dividend, so long as such shares remain partly paid, only to the extent that such partly paid shares rank for dividend;
 - (d) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this Article in fractions; and
 - (e) authorize any person to enter on behalf of all the Members concerned into an agreement with the Company providing for the allotment of them respectively, credited as fully paid, of any shares or debentures to which they may be entitled upon such capitalization, any agreement made under such authority being binding on all such Members.

Share Premium Account

150. The Directors shall in accordance with Section 34 of the Law establish a share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share or capital contributed as described in Article 10.
151. There shall be debited to any share premium account:
- (a) on the redemption or purchase of a share the difference between the nominal value of such share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by Section 37 of the Law, out of capital; and
 - (b) any other amounts paid out of any share premium account as permitted by Section 34 of the Law.

Notices

152. Except as otherwise provided in these Articles, and subject to the rules of any Designated Stock Exchanges, any notice or document may be served by the Company or by the Person entitled to give notice to any Member either personally, or by posting it airmail or air courier service in a prepaid letter addressed to such Member at his address as appearing in the Register, or by electronic mail to any electronic mail address such Member may have specified in writing for the purpose of such service of notices, or by advertisement in appropriate newspapers in accordance with the requirements of any Designated Stock Exchange, or by facsimile or by placing it on the Company's Website. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.
153. Notices posted to addresses outside the Cayman Islands shall be forwarded by prepaid airmail.
154. Any notice or other document, if served by:
- (a) post, shall be deemed to have been served five days after the time when the letter containing the same is posted;
 - (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;
 - (c) recognized courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service;
 - (d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail; or
 - (e) placing it on the Company's Website, shall be deemed to have been served one (1) hour after the notice or document is placed on the Company's Website.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

155. A Member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting, and, where requisite, of the purpose for which it was called.
156. Any notice or document delivered or sent by post to or left at the registered address of any Member in accordance with the terms of these Articles shall notwithstanding that such Member be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Member as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.
157. Notice of every general meeting of the Company shall be given to:
- (a) all Members holding Shares with the right to receive notice and who have supplied to the Company an address, facsimile number or email address for the giving of notices to them; and
 - (b) every Person entitled to a Share in consequence of the death or bankruptcy of a Member, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.

Winding Up

158. If the Company is wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Law, divide among the Members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Members as he with the like sanction determines, but no Member shall be compelled to accept any assets upon which there is a liability.
159. If the Company shall be wound up and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst the Members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. This Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

Indemnity

160. (a) Every Indemnified Person for the time being and from time to time of the Company and the personal representatives of the same shall be indemnified and secured harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges, expenses, losses, damages, liabilities, judgments, fines, settlements and other amounts (including reasonable attorneys' fees and expenses and amounts paid in settlement and costs of investigation (collectively "Losses") incurred or sustained by him otherwise than by reason of his own dishonesty in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any Losses incurred by him in defending or investigating (whether successfully or otherwise) any civil, criminal, investigative and administrative proceedings concerning or in any way related to the Company or its affairs in any court whether in the Islands or elsewhere. Such Losses incurred in defending or investigating any such proceeding shall be paid by the Company as they are incurred upon receipt, in each case, of an undertaking by or on behalf of the Indemnified Person to repay such amounts if it is ultimately determined by a non-appealable order of a court of competent jurisdiction that such Indemnified Person is not entitled to indemnification hereunder with respect thereto. However, the Company will not indemnify its directors, officers, or persons controlling it for liabilities arising under the Securities Act, because it is the SEC's opinion that such indemnification is against public policy as expressed in such act and is, therefore, unenforceable.
- (b) No such Indemnified Person of the Company and the personal representatives of the same shall be liable (i) for the acts, receipts, neglects, defaults or omissions of any other Director or officer or agent of the Company or (ii) by reason of his having joined in any receipt for money not received by him personally or in any other act to which he was not a direct party for conformity or (iii) for any loss on account of defect of title to any property of the Company or (iv) on account of the insufficiency of any security in or upon which any money of the Company shall be invested or (v) for any loss incurred through any bank, broker or other agent or any other party with whom any of the Company's property may be deposited or (vi) any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities or discretions of his office or in relation thereto or (vii) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on such Person's part, unless he has acted dishonestly, with willful default or through fraud.
- (c) The Company hereby acknowledges that certain Indemnified Persons may have certain rights to indemnification, advancement of expenses and/or insurance from or against (other than directors' and officers' or similar insurance obtained or maintained by or on behalf of the Company or any of its subsidiaries, including any such insurance obtained or maintained pursuant to Article 161 hereof) the Other Indemnitors. The Company hereby agrees (i) that it is the indemnitor of first resort (*i.e.*, its obligations to an Indemnified Person are primary and any obligation of the Other Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Indemnified Person are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by an Indemnified Person and shall be liable for the full amount of all Losses to the extent legally permitted and as required by the terms of these Articles (or any other agreement between the Company and an Indemnified Person), without regard to any rights an Indemnified Person may have against the Other Indemnitors, and (iii) that it irrevocably waives, relinquishes and releases the Other Indemnitors from any and all claims against the Other Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Other Indemnitors on behalf of an Indemnified Person with respect to any claim for which such Indemnified Person has sought indemnification from the Company shall affect the foregoing, the Other Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Indemnified Person against the Company. For the avoidance of doubt, no Person or entity providing Directors' or officers' or similar insurance obtained or maintained by or on behalf of the Company or any of its subsidiaries, including any Person providing such insurance obtained or maintained pursuant to Article 161 hereof shall be an Other Indemnitor.

161. The Directors may exercise all the power of the Company to purchase and maintain insurance for the benefit of a Person who is or was (whether or not the Company would have the power to indemnify such Person against such liability under the provisions of Article 160 or under applicable law):
- (a) a Director, alternate Director, Secretary or auditor of the Company or of a company which is or was a subsidiary undertaking of the Company or in which the Company has or had an interest (whether direct or indirect); or
 - (b) the trustee of a retirement benefits scheme or other trust in which a person referred to in the preceding paragraph is or has been interested, indemnifying him against any liability which may lawfully be insured against by the Company.

Financial Year

162. Unless the Directors otherwise prescribe, the financial year of the Company shall end on 31st of December in each year.

Amendment of Memorandum and Articles

163. (a) Subject to the Law, the Company may by Special Resolution change its name or change the provisions of the Memorandum with respect to its objects, powers or any other matter specified therein.
- (b) Subject to the Law and as provided in these Articles, the Company may at any time and from time to time by Special Resolution, alter or amend these Articles in whole or in part.

Transfer by way of Continuation

164. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

Information

165. No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the Members of the Company to communicate to the public.

THE COMPANIES LAW (AS REVISED) COMPANY LIMITED BY SHARES

AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION

OF

CHINA LIBERAL EDUCATION HOLDINGS LIMITED

□□□□□□□□□□

(Adopted by a Special Resolution passed on July 29, 2019 and effective immediately prior to the completion of the Company's initial public offering of ordinary shares on the Nasdaq Capital Market)

1. The name of the Company is **China Liberal Education Holdings Limited** □□□□□□□□□□.
2. The registered office of the Company shall be situated at the office of Campbells Corporate Service Limited, Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands, or at such other place in the Cayman Islands as the directors may at any time decide.
3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Law (as revised).
4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by Section 27 (2) of the Companies Law (as revised).
5. Nothing in the preceding paragraphs shall be deemed to permit the Company to carry on the business of a bank or trust company without being licensed in that behalf under the provisions of the Banks and Trust Companies Law (as revised), or to carry on insurance business from within the Cayman Islands or the business of an insurance manager, agent, sub-agent or broker without being licensed in that behalf under the provisions of the Insurance Law (as revised), or to carry on the business of company management without being licensed in that behalf under the Companies Management Law (as revised).
6. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands, but nothing in this paragraph shall be so construed as to prevent the Company effecting and concluding contracts in the Cayman Islands and exercising in the Cayman Islands any of its power necessary for the carrying on of its business outside the Cayman Islands.
7. The liability of each Member is limited to the amount, if any, unpaid on such Member's shares.
8. The share capital of the Company is US\$50,000 divided into 50,000,000 ordinary shares of US\$0.001 par value each with power for the Company, subject to the provisions of the Companies Law (as revised) and the Articles of Association, to redeem or purchase any of its shares and to subdivide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide, every issue of shares, whether stated to be ordinary, preference or otherwise, shall be subject to the powers on the part of the Company hereinbefore provided.
9. The Company has power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.
10. Capitalized terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company.

Share Certificate

Number of certificate

Number of shares

CHINA LIBERAL EDUCATION HOLDINGS LIMITED

COMPANY NUMBER [NUMBER]

This is to certify that [Name] of [Address] is the registered holder of [Number] [Share Class] shares of [Value] each being [partly paid to the extent of [amount in words][amount in numerals] per share]/[fully paid][and numbered [number]] in the above-named company, subject to the memorandum and articles of association of the company.

[Transfer date]

Director

Director/ Secretary

THE REGISTERED HOLDER OF THIS WARRANT AGREES BY HIS, HER OR ITS ACCEPTANCE HEREOF, THAT SUCH HOLDER WILL NOT FOR A PERIOD OF ONE HUNDRED EIGHTY (180) DAYS FOLLOWING THE EFFECTIVE DATE (AS DEFINED BELOW) OF THE REGISTRATION STATEMENT: (A) SELL, TRANSFER, ASSIGN, PLEDGE OR HYPOTHECATE THIS WARRANT TO ANYONE OTHER THAN OFFICERS OR PARTNERS OF BOUSTEAD SECURITIES, LLC, EACH OF WHOM SHALL HAVE AGREED TO THE RESTRICTIONS CONTAINED HEREIN, IN ACCORDANCE WITH FINRA RULE 5110(G)(1), OR (B) CAUSE THIS WARRANT OR THE SECURITIES ISSUABLE HEREUNDER TO BE THE SUBJECT OF ANY HEDGING, SHORT SALE, DERIVATIVE, PUT OR CALL TRANSACTION THAT WOULD RESULT IN THE EFFECTIVE ECONOMIC DISPOSITION OF THIS WARRANT OR THE SECURITIES HEREUNDER, EXCEPT AS PROVIDED FOR IN FINRA RULE 5110(G)(2).

THIS WARRANT IS NOT EXERCISABLE PRIOR TO [●], 2019. VOID AFTER 5:00 P.M., EASTERN TIME, [●], 2024.

**ORDINARY SHARE PURCHASE WARRANT
CHINA LIBERAL EDUCATION HOLDINGS LIMITED**

Warrant Shares: _____

Initial Exercise Date: _____, 2019

Issue Date: _____, 2019

THIS ORDINARY SHARE PURCHASE WARRANT (the "Warrant") certifies that, for value received, **Boustead Securities, LLC**, the registered holder hereof or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after _____, 2019, being any date after the issuance of this Warrant (the "Initial Exercise Date") and on or prior to the close of business on the five (5) year anniversary of the Initial Exercise Date (the "Termination Date") but not thereafter, to subscribe for and purchase from CHINA LIBERAL EDUCATION HOLDINGS LIMITED, a Cayman Islands exempted company (the "Company"), up to [●] Ordinary Shares¹ (as subject to adjustment hereunder, the "Warrant Shares"). The purchase price of one Ordinary Share under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Underwriting Agreement (the "Underwriting Agreement"), dated _____, 2019, among the Company and the underwriter.

¹ The amount of the Warrant Shares is equal to the aggregate of 7% of the shares issued and issuable by the Company on a Closing Date in the Offering.

Section 2. Exercise.

a) Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly executed facsimile copy (or e-mail attachment) of the Notice of Exercise in the form annexed hereto. Within three (3) trading days following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise form be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) trading days of the date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) business day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The exercise price per Ordinary Share under this Warrant shall be **\$6.00²**, subject to adjustment hereunder (the "Exercise Price").

c) Cashless Exercise. At any time during the term of this Warrant, this Warrant may also be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

- (A) = the Closing Price of the Ordinary Shares on the trading market on the trading day immediately preceding the date on which Holder elects to exercise this Warrant by means of a "cashless exercise," as set forth in the applicable Notice of Exercise;
- (B) = the Exercise Price of this Warrant, as adjusted hereunder; and
- (X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the registered characteristics of the Warrants being exercised. The Company agrees not to take any position contrary to this Section 2(c).

² The exercise price shall be equal to the public offering price per share in the Offering.

“Closing Price” means, for any date, the closing price determined by the first of the following clauses that applies: (a) if the Ordinary Shares are then listed or quoted on a United States national stock exchange, the closing price of the Ordinary Shares for such date (or the nearest preceding date) on such trading market on which the Ordinary Shares are then listed or quoted as reported by Bloomberg L.P. (based on a trading day from 9:30 a.m. (New York City time) to 4:00 p.m. (New York City time)), (b) if OTCQB or OTCQX is the trading market, the closing price of the Ordinary Shares for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Ordinary Shares are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Ordinary Shares are then reported in the “Pink Sheets” published by OTC Markets, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per Ordinary Share so reported, or (d) in all other cases, the fair market value of an Ordinary Share as determined by an independent appraiser selected in good faith by the Holder and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Company’s stock transfer agent and registrar (the “Transfer Agent”) to the Holder by crediting the account of the Holder’s or its designee’s balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system (“DWAC”) if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by Holder, or (B) this Warrant is being exercised via cashless exercise, and otherwise by physical delivery of a certificate (if requested), registered in the Company’s register of members in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is three (3) trading days after the Company receives the Notice of Exercise (such date, the “Warrant Share Delivery Date”). Within two (2) trading days following an exercise of this Warrant as aforesaid, the Holder shall deliver payment to the Company of an amount equal to the Exercise Price in effect on the date of such exercise multiplied by the number of Warrant Shares as to which this Warrant is so exercised in cash or via wire transfer of immediately available funds if, subject to the provisions of Section 2(c), the Holder does not notify the Company in such Notice of Exercise that such exercise is made pursuant to a cashless exercise at a time and under circumstances which permit a cashless exercise. The Warrant Shares shall be deemed to have been issued, and Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the Warrant has been exercised, with payment to the Company of the Exercise Price (or by cashless exercise, if permitted) and all taxes required to be paid by the Holder, if any, pursuant to Section 2(d)(vi) prior to the issuance of such Warrant Shares, having been paid. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each \$1,000 of Warrant Shares subject to such exercise (based on the Closing Price of the Ordinary Shares on the date of the applicable Notice of Exercise), \$10 per trading day (increasing to \$20 per trading day on the fifth trading day after such liquidated damages begin to accrue) for each trading day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, Ordinary Shares to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the Ordinary Shares so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue by (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of Ordinary Shares that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Ordinary Shares having a total purchase price of \$11,000 to cover a Buy-In with respect to an attempted exercise of Ordinary Shares with an aggregate sale price giving rise to such purchase obligation of \$10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder \$1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver Ordinary Shares upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its register of members, shareholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

viii. Net Cash Settlement. In no event may the Holder net cash settle this Warrant.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates (as defined below), and any other Persons (as defined below) acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of Ordinary Shares beneficially owned by the Holder and its Affiliates shall include the number of Ordinary Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Ordinary Shares which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Ordinary Share Equivalents, as defined below) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether, and representation and certification to the Company that, this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding Ordinary Shares, a Holder may rely on the number of outstanding Ordinary Shares as reflected in (A) the Company's most recent periodic or annual report filed with the SEC, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of Ordinary Shares outstanding. Upon the written or oral request of a Holder, the Company shall within two (2) trading days confirm orally and in writing to the Holder the number of Ordinary Shares then outstanding. In any case, the number of outstanding Ordinary Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates since the date as of which such number of outstanding Ordinary Shares was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of Ordinary Shares outstanding immediately after giving effect to the issuance of Ordinary Shares issuable upon exercise of this Warrant. The Holder, upon not less than 61 days' prior written notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of Ordinary Shares outstanding immediately after giving effect to the issuance of Ordinary Shares upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

f) Lockup. The Holder represents that it (or permitted assignees under FINRA Rule 5110(g)(1)) will not sell, transfer, assign, pledge, or hypothecate this Warrant or the securities underlying the Warrant, nor will it engage in any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the warrants or the underlying securities for a period of 180 days from the Effective Date of the Registration Statement for the Offering, which includes the registration of the shares underlying the Warrant, except as provided for in FINRA Rule 5110(g)(2).

Section 3. Certain Adjustments.

a) Share Capitalizations and Splits. If the Company, at any time while this Warrant is outstanding: (i) effects a share capitalization or otherwise pays a dividend or other distribution on its Ordinary Shares or any other equity or equity equivalent securities payable in Ordinary Shares (which, for avoidance of doubt, shall not include any Ordinary Shares issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding Ordinary Shares into a larger number of shares, (iii) combines (including by way of share consolidation) outstanding Ordinary Shares into a smaller number of shares, or (iv) issues by reclassification of Ordinary Shares any shares of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of Ordinary Shares (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of Ordinary Shares outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any securities of the Company which would entitle the holder thereof to acquire at any time Ordinary Shares, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Ordinary Shares (“Ordinary Shares Equivalents”) or rights to purchase shares, warrants, securities or other property pro rata to the record holders of any class of Ordinary Shares (the “Purchase Rights”), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Ordinary Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder’s right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such Ordinary Shares as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

c) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Ordinary Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, shares or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a “Distribution”), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Ordinary Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any Ordinary Shares as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

d) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Ordinary Shares are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the shareholders holding 50% or more of the outstanding Ordinary Shares, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Ordinary Shares or any compulsory share exchange pursuant to which the Ordinary Shares are effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding Ordinary Shares (not including any Ordinary Shares held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such share purchase agreement or other business combination) (each a “Fundamental Transaction”), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of Ordinary Shares of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the “Alternate Consideration”) receivable as a result of such Fundamental Transaction by a holder of the number of Ordinary Shares for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Ordinary Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Ordinary Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the “Successor Entity”) to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(d), pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of such Successor Entity (or its parent entity) equivalent to the Ordinary Shares acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares (but taking into account the relative value of the Ordinary Shares pursuant to such Fundamental Transaction and the value of such shares, such number of shares and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the “Company” shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

e) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of Ordinary Shares deemed to be issued and outstanding as of a given date shall be the sum of the number of Ordinary Shares (excluding treasury shares, if any) issued and outstanding.

f) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly mail to the Holder a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Ordinary Shares, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Ordinary Shares, (C) the Company shall authorize the granting to all holders of Ordinary Shares rights or warrants to subscribe for or purchase any shares of any class or of any rights, (D) the approval of any shareholders of the Company shall be required in connection with any reclassification of the Ordinary Shares, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Ordinary Shares are converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be mailed to the Holder at its last address as it shall appear upon the Warrant Register (as defined in Section 4(c) below) of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Ordinary Shares of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Ordinary Shares of record shall be entitled to exchange their Ordinary Shares for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Report of Foreign Private Issuer on Form 6-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Transferability. This Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) trading days of the date the Holder delivers an assignment form to the Company assigning this Warrant in full. This Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial issuance date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

a) No Rights as Shareholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a shareholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any share certificate (if any) relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or share certificate (if any), if mutilated, the Company will make and deliver a new Warrant or share certificate (if any) of like tenor and dated as of such cancellation, in lieu of such Warrant or share certificate (if any).

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a business day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares.

i. The Company covenants that, during the period this Warrant is outstanding, it will reserve from its authorized and unissued Ordinary Shares a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing share certificate (if any)s to execute and issue the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the trading market upon which the Ordinary Shares may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

ii. Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its memorandum and articles of association or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

iii. Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Governing Law; Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the provisions of the Underwriting Agreement.

f) Registration. The issuance of the Warrant and the Warrant Shares shall be registered in the Company's effective registration statement on F-1 with commission file No. 333-[●]. The Company shall file periodic filings with the Securities and Exchange Commission ("SEC") during the term of this Warrant as required by the rules and regulations issued by the SEC. During the term of this Warrant, whenever the Company proposes to register any of its securities under the Securities Act, whether for its own account or for the account of another shareholder (except for the registration of securities (A) to be offered pursuant to an employee benefit plan on Form S-8 or (B) pursuant to a registration made on Form F-4, or any successor forms then in effect) at any time and the registration form to be used may be used for the registration of the Warrant Shares, it will so notify in writing the Holder as soon as practicable but in no event less than five (5) business days before the anticipated filing date and offer to the Holder the opportunity to register the sale of such number of Warrant Shares as such holder may request in writing within three (3) business days after receipt of such Piggyback Notice (a "Piggyback Registration"). Notwithstanding the foregoing, the Company may delay any such notice to the Holder, including until after filing a registration statement, so long as the Holder has the same amount of time to determine whether to participate in an offering as it would have had if such notice had not been so delayed. The Company shall cause such Warrant Shares to be included in such registration and shall use commercially reasonable efforts to cause the managing underwriter or underwriters of a proposed underwritten offering to permit the Warrant Shares requested to be included in a Piggyback Registration on the same terms and conditions as any similar securities of the Company and to permit the sale or other disposition of such Warrant Shares in accordance with the intended method(s) of distribution thereof; provided, however, that if, solely in connection with any primary underwritten public offering for the account of the Company, the managing underwriter(s) thereof shall, in its reasonable discretion, impose a limitation on the number of Ordinary Shares which may be included in the registration statement because, in such underwriter(s)' judgment, marketing or other factors dictate such limitation is necessary to facilitate public distribution, then the Company shall be obligated to include in such registration statement only such limited portion of the Warrant Shares with respect to which the Holder requested inclusion hereunder as the underwriter shall reasonably permit. Holder shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such Piggyback Registration.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant or the Underwriting Agreement, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered to the Holder at its last address as it shall appear upon the Warrant Register.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Ordinary Shares or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

CHINA LIBERAL EDUCATION HOLDINGS LIMITED

By: _____
Name: Jianxin Zhang
Title: CEO

NOTICE OF EXERCISE

TO: CHINA LIBERAL EDUCATION HOLDINGS LIMITED

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

- in lawful money of the United States; or
- [if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in Section 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in Section 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

The Warrant Shares shall be delivered to the following DWAC Account Number:

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____



ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name:

(Please Print)

Address:

(Please Print)

Dated: _____, _____

Holder's Signature: _____

Holder's Address: _____



China Liberal Education Holdings Limited
 Floor 4, Willow House,
 Cricket Square,
 Grand Cyaman KY1-9010,
 Cayman Islands

[*]

Dear Sirs,

Campbells
 Registered Foreign Law Firm
 Floor 35, Room 3507
 Edinburgh Tower, The Landmark
 15 Queen's Road Central
 Hong Kong

D +852 3708 3020
T +852 3708 3000
F +852 3706 5408
E jnip@campbellslegal.com

campbellslegal.com

Our Ref: JSN/17624-30492
 Your Ref:

CAYMAN | BVI | HONG KONG

China Liberal Education Holdings Limited

We have acted as Cayman Islands counsel to **China Liberal Education Holdings Limited** (the "**Company**") in connection with the Company's registration statement on Form F-1 including all amendments or supplements thereto (the "**Registration Statement**"), filed with the United States Securities and Exchange Commission (the "**Commission**") under the U.S. Securities Act of 1933, as amended (the "**Act**") relating to the initial public offering by the Company of 1,166,667 ordinary shares of par value US\$0.001 per share, up to 175,000 ordinary shares, par value US\$0.001 per share, issuable upon exercise of an over-allotment option granted to the underwriters by the Company, and 81,667 ordinary shares, par value US\$0.001 per share, underlying warrants issuable to the underwriters upon exercise of such warrants (the "**Shares**").

We are furnishing this opinion as Exhibits 5.1 and 23.2 to the Registration Statement.

1 Documents Reviewed

For the purposes of this opinion, we have reviewed only originals, copies or final drafts or conformed copies of the following documents:

- 1.1 The certificate of incorporation of the Company dated 27 February 2019 issued by the Registrar of Companies in the Cayman Islands.
- 1.2 The memorandum and articles of association of the Company as registered and filed with the General Registry of the Cayman Islands on 25 February 2019 (the "**Memorandum and Articles**").
- 1.3 The register of members of the Company provided by [*] on [*] (the "**Register of Members**").
- 1.4 The written resolutions of the sole director of the Company dated 26 July 2019 (the "**Director's Resolutions**").
- 1.5 The written resolutions of the members of the Company dated 29 July 2019 (the "**Shareholders' Resolutions**").

Resident Hong Kong Partners: Ashley Davies (British Virgin Islands), Jeremy Lightfoot (British Virgin Islands), Jenny Nip (England and Wales) and Non-Resident Hong Kong Partner: Robert Searle (Cayman Islands)
 Cayman Islands and British Virgin Islands

- 1.6 A certificate from a director of the Company, a copy of which is attached hereto (the “**Director’s Certificate**”).
- 1.7 A certificate of good standing dated 3 July 2019, issued by the Registrar of Companies in the Cayman Islands (the “**Certificate of Good Standing**”).
- 1.8 The Registration Statement.

2 Assumptions

The following opinions are given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this opinion letter. These opinions only relate to the laws of the Cayman Islands which are in force on the date of this opinion letter. In giving these opinions we have relied (without further verification) upon the completeness and accuracy of the Director’s Certificate and the Certificate of Good Standing. We have also relied upon the following assumptions, which we have not independently verified:

- 2.1 Copies of documents, conformed copies or drafts of documents provided to us are true and complete copies of, or in the final forms of, the originals.
- 2.2 The genuineness of all signatures, initials and seals.
- 2.3 There is nothing under any law (other than the law of the Cayman Islands) and there is nothing contained in the minute book or corporate records of the Company (which we have not inspected), which would or might affect the opinions set out below.

3 Opinion

Based upon the foregoing and subject to the qualifications set out below and having regard to such legal considerations as we deem relevant, we are of the opinion that:

- 3.1 The Company has been duly incorporated as an exempted company with limited liability and is validly existing and in good standing under the laws of the Cayman Islands.
- 3.2 The Company has all requisite capacity and power under the Memorandum and Articles to issue the Shares as contemplated by the Registration Statement.
- 3.3 The authorised share capital of the Company is currently US\$50,000 divided into 50,000,000 ordinary shares of a par value of US\$0.001 each.
- 3.4 Based solely on our review of the Register of Members, a total of [*] ordinary Shares are currently in issue as at the date thereof. Accordingly, based solely on our review of the Memorandum and Articles and Register of Members, the Company has sufficient number of ordinary Shares within its authorized share capital to ensure it is able to issue the Shares as contemplated by the Registration Statement.

- 3.5 The issue and allotment of the Shares pursuant to the Registration Statement have been duly authorised and when allotted, issued and paid for as contemplated in the Registration Statement, the Shares will be legally issued and allotted, fully paid and non-assessable. As a matter of Cayman law, a share is only issued when it has been entered in the register of members (shareholders).
- 3.6 The statements under the caption “Taxation” in the prospectus forming part of the Registration Statement, to the extent that they constitute statements of Cayman Islands law, are accurate in all material respects and that such statements constitute our opinion.

4 Qualifications

- 4.1 In this opinion the phrase “non-assessable” means, with respect to the Shares, that a shareholder shall not, solely by virtue of its status as a shareholder, be liable for additional assessments or calls on the Shares by the Company or its creditors (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).
- 4.2 Except as specifically stated herein, we make no comment with respect to any representations and warranties which may be made by or with respect to the Company in any of the documents or instruments cited in this opinion or otherwise with respect to the commercial terms of the transactions which are the subject of this opinion.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our firm under the headings “Legal Matters”, “Enforceability of Civil Liabilities” and elsewhere in the prospectus included in the Registration Statement. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Act or the Rules and Regulations of the Commission thereunder.

Yours faithfully

Campbells



CHINA LIBERAL EDUCATION HOLDINGS LIMITED
China Liberal Education Holdings Limited
Huateng Century Park Headquarters,
Building A, Level 2
Beijing, PRC
+86-10-6597-8118

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the “**Agreement**”), is entered into as of [], 2019 (the “**Effective Date**”), by and between CHINA LIBERAL EDUCATION HOLDINGS LIMITED, a company incorporated and existing under the laws of the Cayman Islands (the “**Company**”), and [], an individual (the “**Executive**”). The term “Company” as used herein with respect to all obligations of the Executive hereunder shall be deemed to include the Company and all of its direct or indirect parent companies, subsidiaries, affiliates, or subsidiaries or affiliates of its parent companies (collectively, the “**Group**”).

RECITALS

The Company desires to employ the Executive as its [INSERT TITLE] and to assure itself of the services of the Executive during the term of Employment (as defined below).

The Executive desires to be employed by the Company as its [INSERT TITLE] during the term of Employment and upon the terms and conditions of this Agreement.

AGREEMENT

The parties hereto agree as follows:

1. POSITION

The Executive hereby accepts a position of [INSERT TITLE] of the Company (the “**Employment**”).

2. TERM

Subject to the terms and conditions of this Agreement, the initial term of the Employment shall be [] months, commencing on the Effective Date, unless terminated earlier pursuant to the terms of this Agreement. The Employment will be renewed automatically for additional []-year terms if neither the Company nor the Executive provides a []-month prior written notice of termination of the Employment to the other party, or otherwise proposes to re-negotiate the terms of the Employment with the other party within three months prior to the expiration of the applicable term, or unless the Employment is terminated earlier pursuant to the terms of this Agreement.

3. PROBATION

No probationary period.

4. DUTIES AND RESPONSIBILITIES

The Executive's duties at the Company will include all jobs assigned by the Company's Board of Directors (the "**Board**") and/or the [] of the Company ("**Duties**").

The Executive shall devote all of his/her working time, attention and skills to the performance of his/her Duties at the Company and shall faithfully and diligently serve the Company in accordance with this Agreement, Certificate of Incorporation and the Memorandum and Articles of Association of the Company (the "**Articles of Association**"), as amended and restated from time to time (collectively, the "**Charter Documents**"), and the guidelines, policies and procedures of the Company approved from time to time by the Board.

The Executive shall use his / her best efforts to perform his / her Duties hereunder. The Executive shall not, without the prior written consent of the Board, become an employee of any entity other than the Company and any subsidiary or affiliate of the Company, and shall not be concerned or interested in any business or entity that engages in the same business in which the Company engages (any such business or entity, a "**Competitor**"), provided that nothing in this clause shall preclude the Executive from holding any shares or other securities of any Competitor that is listed on any securities exchange or recognized securities market anywhere if such shares or securities represent [less than 5%] of the competitors outstanding shares and securities. The Executive shall notify the Company in writing of his / her interest in such shares or securities in a timely manner and with such details and particulars as the Company may reasonably require.

5. NO BREACH OF CONTRACT

The Executive hereby represents to the Company that: (i) the execution and delivery of this Agreement by the Executive and the performance by the Executive of the Executive's Duties hereunder shall not constitute a breach of, or otherwise contravene, the terms of any other agreement or policy to which the Executive is a party or otherwise bound, except for agreements that are required to be entered into by and between the Executive and any member of the Group pursuant to applicable law of the jurisdiction where the Executive is based, if any; (ii) that the Executive has no information (including, without limitation, any Confidential Information) relating to any other person or entity which would prevent, or be violated by, the Executive entering into this Agreement or carrying out his/her Duties hereunder; and (iii) that the Executive is not bound by any confidentiality, trade secret or similar agreement (other than this) with any other person or entity except for other member(s) of the Group, as the case may be.

6. LOCATION

The Executive will be based in [], the People's Republic of China, until both parties hereto agree to change otherwise. The Executive acknowledges that he/she may be required to travel from time to time in the course of performing his/her Duties for the Company.

7. COMPENSATION AND BENEFITS

- (a) Compensation. The Executive's cash compensation (inclusive of the statutory welfare reserves that the Company is required to set aside for the Executive under applicable law) shall be provided by the Company in a separate schedule attached herein **Schedule A** or as specified in a separate agreement between the executive and the company's designated subsidiary or affiliated entity, subject to annual review and adjustment by the Company or the compensation committee of the Board. Compensation in cash may be paid by the Company, a subsidiary or affiliated entity or a combination thereof, as designated by the Company from time to time.
- (c) Equity Incentives. To the extent the Company adopts and maintains a share incentive plan, the Executive will be eligible to participate in such plan pursuant to the terms thereof.
- (d) Benefits. The Executive is eligible for participation in any standard employee benefit plan of the Company that currently exists or may be adopted by the Company in the future, including, but not limited to, any retirement plan, life insurance plan, health insurance plan and travel/holiday plan.

8. TERMINATION OF THE AGREEMENT

- (a) By the Company. The Company may terminate the Employment for cause, at any time, without notice or remuneration, if the Executive (1) commits any serious or persistent breach or non-observance of the terms and conditions of his or her employment; (2) is convicted of a criminal offence other than one which in the opinion of the Board does not affect the executive's position as an employee of the Company, bearing in mind the nature of his or her Duties and the capacity in which the executive is employed; (3) willfully disobeys a lawful and reasonable order; (4) misconducts himself/herself and such conduct being inconsistent with the due and faithful discharge of the Executive's Duties; (5) is guilty of fraud or dishonesty; or (6) is habitually neglectful in his/her Duties. The Company may terminate the Employment without cause at any time with a []-month prior written notice to the Executive or by payment of [] months' salary in lieu of notice.

- (b) By the Executive. The Executive may terminate the Employment at any time with a []-month prior written notice to the Company or by payment of [] months' salary in lieu of notice. In addition, the Executive may resign prior to the expiration of the Agreement if such resignation or an alternative arrangement with respect to the Employment is approved by the Board.
- (c) Notice of Termination. Any termination of the Executive's employment under this Agreement shall be communicated by written notice of termination from the terminating party to the other party. The notice of termination shall indicate the specific provision(s) of this Agreement relied upon in effecting the termination.

9. CONFIDENTIALITY AND NONDISCLOSURE

- (a) Confidentiality and Non-disclosure. The Executive hereby agrees at all times during the term of his/her employment and after termination, to hold in the strictest confidence, and not to use, except for the benefit of the Group, or to disclose to any person, corporation or other entity without written consent of the Company, any Confidential Information, which by definition includes any proprietary or confidential information of the Group, its affiliates, their clients, customers or partners, and the Group's licensors, including, without limitation, technical data, trade secrets, research and development information, product plans, services, customer lists and customers (including, but not limited to, customers of the Group on whom the Executive called or with whom the Executive became acquainted during the term of his/her employment), supplier lists and suppliers, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, personnel information, marketing, finances, information about the suppliers, joint ventures, licensors, licensees, distributors and other persons with whom the Group does business, information regarding the skills and compensation of other employees of the Group or other business information disclosed to the Executive by or obtained by the Executive from the Group, its affiliates, or their clients, customers or partners either directly or indirectly in writing, orally or by drawings or observation of parts or equipment, if specifically indicated to be confidential or reasonably expected to be confidential ("**Confidential Information**"). Notwithstanding the foregoing, Confidential Information shall not include information that is generally available and known to the public through no fault of the Executive.

- (b) Company Property. The Executive understands that all documents (including computer records, facsimile and e-mail) and materials created, received or transmitted in connection with his/her work or using the facilities of the Group are property of the Group and subject to inspection by the Group, at any time. Upon the termination of the Executive's employment with the Company (or at any other time when requested by the Company), the Executive will promptly deliver to the Company all documents and materials of any nature pertaining to his/her work with the Company and will provide written certification of his compliance with this Agreement. Under no circumstances will the Executive have, following his/her termination, in his/her possession any property of the Group, or any documents or materials or copies thereof containing any Confidential Information.
- (c) Former Employer Information. The Executive agrees that he has not and will not, during the term of his/her employment, (i) improperly use or disclose any proprietary information or trade secrets of any former employer or other person or entity with which the Executive has an agreement or duty to keep in confidence information acquired by Executive, if any, or (ii) bring into the premises of the Group any document or confidential or proprietary information belonging to such former employer, person or entity unless consented to in writing by such former employer, person or entity. The Executive will indemnify the Group and hold it harmless from and against all claims, liabilities, damages and expenses, including reasonable attorneys' fees and costs of suit, arising out of or in connection with any violation of the foregoing.
- (d) Third Party Information. The Executive recognizes that the Group may have received, and in the future may receive, from third parties their confidential or proprietary information subject to a duty on the Group's part to maintain the confidentiality of such information and to use it only for certain limited purposes. The Executive agrees that the Executive owes the Group and such third parties, during the Executive's employment by the Company and thereafter, a duty to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person or firm and to use it in a manner consistent with, and for the limited purposes permitted by, the Group's agreement with such third party.

This Section 9 shall survive the termination of this Agreement for any reason. In the event the Executive breaches this Section 9, the Company shall have right to seek remedies permissible under applicable law.

10. CONFLICTING EMPLOYMENT

The Executive hereby agrees that, during the term of his/her employment with the Company, he or she will not engage in any other employment, occupation, consulting or other business activity related to the business in which the Company is now involved or becomes involved during the term of the Executive's employment, nor will the Executive engage in any other activities that conflict with his/her obligations to the Company without the prior written consent of the Company.

11. NON-COMPETITION AND NON-SOLICITATION

In consideration of the compensation and benefits granted to the Executive by the Company and subject to applicable law, the Executive agrees that during the term of the Employment and for a period of [two (2) years] following the termination of the Employment for whatever reason:

- (a) The Executive will not approach clients, customers or contacts of the Company or other persons or entities introduced to the Executive in the Executive's capacity as a representative of the Company for the purposes of doing business with such persons or entities which will harm the business relationship between the Company and such persons and/or entities;
- (b) The Executive will not assume employment with or provide services as a director or otherwise for any Competitor, or engage, whether as principal, partner, licensor or otherwise, in any Competitor; and
- (c) The Executive will not seek, directly or indirectly, by the offer of alternative employment or other inducement whatsoever, to solicit the services of any employee of the Company employed as at or after the date of such termination, or in the year preceding such termination.

The provisions contained in this Section 11 are considered reasonable by the Executive and the Company. In the event that any such provisions should be found to be void under applicable laws but would be valid if some part thereof was deleted or the period or area of application reduced, such provisions shall apply with such modification as may be necessary to make them valid and effective.

This Section 11 shall survive the termination of this Agreement for any reason. In the event the Executive breaches this Section 11, the Executive acknowledges that there will be no adequate remedy at law, and the Company shall be entitled to injunctive relief and/or a decree for specific performance, and such other relief as may be proper (including monetary damages if appropriate). In any event, the Company shall have right to seek all remedies permissible under applicable law.

12. WITHHOLDING TAXES

Notwithstanding anything else herein to the contrary, the Company may withhold (or cause there to be withheld, as the case may be) from any amounts otherwise due or payable under or pursuant to this Agreement such national, provincial, local or any other income, employment, or other taxes as may be required to be withheld pursuant to any applicable law or regulation.

13. NOTIFICATION OF NEW EMPLOYER

In the event that the Executive leaves the employ of the Company, the Executive hereby grants consent to notification by the Company to his/her new employer about his/her rights and obligations under this Agreement.

14. ASSIGNMENT

This Agreement is personal in its nature and neither of the parties hereto shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder; provided, however, that (i) the Company may assign or transfer this Agreement or any rights or obligations hereunder to any member of the Group without such consent, and (ii) in the event of a merger, consolidation, or transfer or sale of all or substantially all of the assets of the Company with or to any other individual(s) or entity, this Agreement shall, subject to the provisions hereof, be binding upon and inure to the benefit of such successor and such successor shall discharge and perform all the promises, covenants, Duties, and obligations of the Company hereunder.

15. SEVERABILITY

If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provisions or applications and to this end the provisions of this Agreement are declared to be severable.

16. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement and understanding between the Executive and the Company regarding the terms of the Employment and supersedes all prior or contemporaneous oral or written agreements concerning such subject matter, other than any such agreement under any employment agreement entered into with a subsidiary of the Company at the request of the Company to the extent such agreement does not conflict with any of the provisions herein. The Executive acknowledges that he/she has not entered into this Agreement in reliance upon any representation, warranty or undertaking which is not set forth in this Agreement. Any amendment to this Agreement must be in writing and signed by the Executive and the Company.

17. REPRESENTATIONS

The Executive hereby agrees to execute any proper oath or verify any proper document required to carry out the terms of this Agreement. The Executive hereby represents that the Executive's performance of all the terms of this Agreement will not breach any agreement to keep in confidence proprietary information acquired by the Executive in confidence or in trust prior to his/her employment by the Company. The Executive has not entered into, and hereby agrees that he/she will not enter into, any oral or written agreement in conflict with this Section 19. The Executive represents that the Executive will consult his/her own consultants for tax advice and is not relying on the Company for any tax advice with respect to this Agreement or any provisions hereunder.

18. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

19. ARBITRATION

All disputes arising under this Agreement shall be governed by and interpreted in accordance with the laws of New York, without regard to principles of conflict of laws. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration, conducted before a panel of three arbitrators in New York, New York, in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. No party to this agreement will challenge the jurisdiction or venue provisions as provided in this section.

20. WAIVER OF JURY TRIAL

EACH OF THE PARTIES HERETO HEREBY VOLUNTARILY AND IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION OR OTHER PROCEEDING BROUGHT IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY. NO PARTY HAS AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

21. AMENDMENT

This Agreement may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to this Agreement, which agreement is executed by both of the parties hereto.

22. WAIVER

Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

23. NOTICES

All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given and made if (i) delivered by hand, (ii) otherwise delivered against receipt therefor, or (iii) sent by a recognized courier with next-day or second-day delivery to the last known address of the other party.

24. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.

25. NO INTERPRETATION AGAINST DRAFTER

Each party recognizes that this Agreement is a legally binding contract and acknowledges that such party has had the opportunity to consult with legal counsel of choice. In any construction of the terms of this Agreement, the same shall not be construed against either party on the basis of that party being the drafter of such terms. The Executive agrees and acknowledges that he/she has read and understands this Agreement, is entering into it freely and voluntarily, and has been advised to seek counsel prior to entering into this Agreement and has ample opportunity to do so.

[Remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

CHINA LIBERAL EDUCATION HOLDINGS LIMITED

By: _____

Name:

Title:

Executive

Signature: _____

Name:

[Signature Page to Employment Agreement]

Schedule A

Annual compensation is \$[].



INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this “**Agreement**”) is entered into as of by and between China Liberal Education Holdings Limited, a Cayman Islands company (the “**Company**”), and the undersigned, a director and/or an officer of the Company (“**Indemnitee**”), as applicable.

RECITALS

The Board of Directors of the Company (the “**Board of Directors**”) has determined that the ability to attract and retain highly competent persons to serve the Company is essential to the best interests of the Company and its shareholders and that it is reasonable and necessary for the Company to provide adequate protection to such persons against risks of claims and actions against them arising out of their services to the corporation.

AGREEMENT

In consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

A. DEFINITIONS

The following defined terms shall have the respective meanings below:

Expenses include, without limitation, damages, judgments, fines, penalties, settlements and costs, attorneys’ fees and disbursements and costs of attachment or similar bond, investigations, and any other expenses paid or incurred in connection with investigating, defending, being a witness in, participating in (including on appeal), or preparing for any of the foregoing in, any Proceeding.

Indemnifiable Event means any event or occurrence that takes place either before or after the execution of this Agreement, related to the fact that Indemnitee is or was a director or an officer of the Company, or is or was serving at the request of the Company as a director or officer of another corporation, partnership, joint venture or other entity, or related to anything done or not done by Indemnitee in any such capacity, including, but not limited to neglect, breach of duty, error, misstatement, misleading statement or omission.

Participant means a person who is a party to, or witness or participant (including on appeal) in, a Proceeding.

Proceeding means any threatened, pending, or completed action, suit, arbitration or proceeding, or any inquiry, hearing or investigation, whether civil, criminal, administrative, investigative or other, including appeal, in which Indemnitee may be or may have been involved as a party or otherwise by reason of an Indemnifiable Event.

B. AGREEMENT TO INDEMNIFY

1. **General Agreement.** In the event Indemnitee was, is, or becomes a Participant in, or is threatened to be made a Participant in, a Proceeding, the Company shall indemnify the Indemnitee from and against any and all Expenses which Indemnitee incurs or becomes obligated to incur in connection with such Proceeding, to the fullest extent permitted by applicable law.

2. **Indemnification of Expenses of Successful Party.** Notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits in defense of any Proceeding or in defense of any claim, issue or matter in such Proceeding, the Company shall indemnify Indemnitee against all Expenses incurred in connection with such Proceeding or such claim, issue or matter, as the case may be.

3. **Partial Indemnification.** If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for a portion of Expenses, but not for the total amount of Expenses, the Company shall indemnify the Indemnitee for the portion of such Expenses to which Indemnitee is entitled.

4. No Employment Rights. Nothing in this Agreement is intended to create in Indemnitee any right to continued employment with the Company.

5. Contribution. If the indemnification provided in this Agreement is unavailable and may not be paid to Indemnitee for any reason, then the Company shall contribute to the amount of Expenses paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in such proportion as is appropriate to reflect (i) the relative benefits received by the Company on the one hand and by the Indemnitee on the other hand from the transaction or events from which such Proceeding arose, and (ii) the relative fault of the Company on the one hand and of the Indemnitee on the other hand in connection with the events which resulted in such Expenses, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and of the Indemnitee on the other hand shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such Expenses, judgments, fines or settlement amounts. The Company agrees that it would not be just and equitable if contribution pursuant to this Section B.5 were determined by pro rata allocation or any other method of allocation which does not take account of the foregoing equitable considerations.

C. INDEMNIFICATION PROCESS

1. Notice and Cooperation by Indemnitee. Indemnitee shall, as a condition precedent to his/her right to be indemnified under this Agreement, give the Company notice in writing as soon as practicable of any claim made against Indemnitee for which indemnification will or could be sought under this Agreement, provided that the delay of Indemnitee to give notice hereunder shall not prejudice any of Indemnitee's rights hereunder, unless such delay results in the Company's forfeiture of substantive rights or defenses. Notice to the Company shall be given in accordance with Section F.7 below. If, at the time of receipt of such notice, the Company has directors' and officers' liability insurance policies in effect, the Company shall give prompt notice to its insurers of the Proceeding relating to the notice. The Company shall thereafter take all necessary and desirable action to cause such insurers to pay, on behalf of Indemnitee, all Expenses payable as a result of such Proceeding. In addition, Indemnitee shall give the Company such information and cooperation as the Company may reasonably request.

2. Indemnification Payment.

(a) *Advancement of Expenses*. Indemnitee may submit a written request with reasonable particulars to the Company requesting that the Company advance to Indemnitee all Expenses that may be reasonably incurred in advance by Indemnitee in connection with a Proceeding. The Company shall, within 10 business days of receiving such a written request by Indemnitee, advance all requested Expenses to Indemnitee. Any excess of the advanced Expenses over the actual Expenses will be repaid to the Company.

(b) *Reimbursement of Expenses*. To the extent Indemnitee has not requested any advanced payment of Expenses from the Company, Indemnitee shall be entitled to receive reimbursement for the Expenses incurred in connection with a Proceeding from the Company immediately after Indemnitee makes a written request to the Company for reimbursement unless the Company refers the indemnification request to the Reviewing Party in compliance with Section C.2(c) below.

(c) *Determination by the Reviewing Party*. If the Company reasonably believes that it is not obligated under this Agreement to indemnify the Indemnitee, the Company shall, within 10 days after the Indemnitee's written request for an advancement or reimbursement of Expenses, notify the Indemnitee that the request for advancement of Expenses or reimbursement of Expenses will be submitted to the Reviewing Party (as hereinafter defined). The Reviewing Party shall make a determination on the request within 30 days after the Indemnitee's written request for an advancement or reimbursement of Expenses. Notwithstanding anything foregoing to the contrary, in the event the Reviewing Party informs the Company that Indemnitee is not entitled to indemnification in connection with a Proceeding under this Agreement or applicable law, the Company shall be entitled to be reimbursed by Indemnitee for all the Expenses previously advanced or otherwise paid to Indemnitee in connection with such Proceeding; provided, however, that Indemnitee may bring a suit to enforce his/her indemnification right in accordance with Section C.3 below.

3. Suit to Enforce Rights. Regardless of any action by the Reviewing Party, if Indemnitee has not received full indemnification within 30 days after making a written demand in accordance with Section C.2 above or 50 days if the Company submits a request for advancement or reimbursement to the Reviewing Party under Section C.2(c) above, Indemnitee shall have the right to enforce its indemnification rights under this Agreement by commencing litigation in any court of competent jurisdiction seeking a determination by the court or challenging any determination by the Reviewing Party or any aspect of this Agreement. Any determination by the Reviewing Party not challenged by Indemnitee and any judgment entered by the court shall be binding on the Company and Indemnitee.

4. Assumption of Defense. In the event the Company is obligated under this Agreement to advance or bear any Expenses for any Proceeding against Indemnitee, the Company shall be entitled to assume the defense of such Proceeding, with counsel approved by Indemnitee, upon delivery to Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same Proceeding, unless (i) the employment of counsel by Indemnitee has been previously authorized by the Company, (ii) Indemnitee shall have reasonably concluded, based on written advice of counsel, that there may be a conflict of interest of such counsel retained by the Company between the Company and Indemnitee in the conduct of any such defense, or (iii) the Company ceases or terminates the employment of such counsel with respect to the defense of such Proceeding, in any of which events the fees and expenses of Indemnitee's counsel shall be at the expense of the Company. At all times, Indemnitee shall have the right to employ counsel in any Proceeding at Indemnitee's expense.

5. Defense to Indemnification, Burden of Proof and Presumptions. It shall be a defense to any action brought by Indemnitee against the Company to enforce this Agreement that it is not permissible under this Agreement or applicable law for the Company to indemnify the Indemnitee for the amount claimed. In connection with any such action or any determination by the Reviewing Party or otherwise as to whether Indemnitee is entitled to be indemnified under this Agreement, the burden of proving such a defense or determination shall be on the Company.

6. No Settlement Without Consent. Neither party to this Agreement shall settle any Proceeding in any manner that would impose any damage, loss, penalty or limitation on Indemnitee without the other party's written consent. Neither the Company nor Indemnitee shall unreasonably withhold its consent to any proposed settlement.

7. Company Participation. Subject to Section B.5, the Company shall not be liable to indemnify the Indemnitee under this Agreement with regard to any judicial action if the Company was not given a reasonable and timely opportunity, at its expense, to participate in the defense, conduct and/or settlement of such action.

8. Reviewing Party.

(a) For purposes of this Agreement, the Reviewing Party with respect to each indemnification request of Indemnitee that is referred by the Company pursuant to Section C.2(c) above shall be (A) the Board of Directors by a majority vote of a quorum consisting of Disinterested Directors (as hereinafter defined), or (B) if a quorum of the Board of Directors consisting of Disinterested Directors is not obtainable or, even if obtainable, said Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee. If the Reviewing Party determines that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within 10 days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Independent Counsel or member of the Board of Directors shall act reasonably and in good faith in making a determination under this Agreement of the Indemnitee's entitlement to indemnification. Any reasonable costs or expenses (including reasonable attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom. "Disinterested Director" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(b) If the determination of entitlement to indemnification is to be made by Independent Counsel, the Independent Counsel shall be selected as provided in this Section C.8(b). The Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board of Directors, in which event the proceeding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within 10 days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section C.8(d) of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within 20 days after submission by Indemnitee of a written request for indemnification, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting under this Agreement, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section C.8(b), regardless of the manner in which such Independent Counsel was selected or appointed.

(c) In making a determination with respect to entitlement to indemnification hereunder, the Reviewing Party shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement (with or without court approval), conviction, or upon a plea of nolocontendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he/she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his/her conduct was unlawful. For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Company and any other corporation, partnership, joint venture or other entity of which Indemnitee is or was serving at the written request of the Company as a director, officer, employee, agent or fiduciary, including financial statements, or on information supplied to Indemnitee by the officers and directors of the Company or such other corporation, partnership, joint venture or other entity in the course of their duties, or on the advice of legal counsel for the Company or such other corporation, partnership, joint venture or other entity or on information or records given or reports made to the Company or such other corporation, partnership, joint venture or other entity by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Company or such other corporation, partnership, joint venture or other entity. In addition, the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Company or such other corporation, partnership, joint venture or other entity shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. The provisions of this Section C.8(c) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(d) “Independent Counsel” means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

D. DIRECTOR AND OFFICER LIABILITY INSURANCE

1. Good Faith Determination. The Company shall from time to time make the good faith determination whether or not it is practicable for the Company to obtain and maintain a policy or policies of insurance with reputable insurance companies providing the officers and directors of the Company with coverage for losses incurred in connection with their services to the Company or to ensure the Company’s performance of its indemnification obligations under this Agreement.

2. Coverage of Indemnitee. To the extent the Company maintains an insurance policy or policies providing directors’ and officers’ liability insurance, Indemnitee shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any of the Company’s directors or officers.

3. No Obligation. Notwithstanding the foregoing, the Company shall have no obligation to obtain or maintain any director and officer insurance policy if the Company determines in good faith that such insurance is not reasonably available in the case that (i) premium costs for such insurance are disproportionate to the amount of coverage provided, or (ii) the coverage provided by such insurance is limited by exclusions so as to provide an insufficient benefit.

E. NON-EXCLUSIVITY; U.S. FEDERAL PREEMPTION; TERM

1. Non-Exclusivity. The indemnification provided by this Agreement shall not be deemed exclusive of any rights to which Indemnitee may be entitled under the Company’s current memorandum and articles of association, as may be amended from time to time, applicable law or any written agreement between Indemnitee and the Company (including its subsidiaries and affiliates). The indemnification provided under this Agreement shall continue to be available to Indemnitee for any action taken or not taken while serving in an indemnified capacity even though he/she may have ceased to serve in any such capacity at the time of any Proceeding. In the event of any inconsistencies between the terms as set out in this Agreement and the provisions in the Company’s memorandum and articles of association (as may be amended from time to time), the provisions in the Company’s memorandum and articles of association (as may be amended from time to time) shall prevail.

2. U.S. Federal Preemption. Notwithstanding the foregoing, both the Company and Indemnitee acknowledge that in certain instances, U.S. federal law or public policy may override applicable law and prohibit the Company from indemnifying its directors and officers under this Agreement or otherwise. Such instances include, but are not limited to, the U.S. Securities and Exchange Commission (the “SEC”)’s prohibition on indemnification for liabilities arising under certain U.S. federal securities laws. Indemnitee understands and acknowledges that the Company has undertaken or may be required in the future to undertake with the SEC to submit the question of indemnification to a court in certain circumstances for a determination of the Company’s right under public policy to indemnify Indemnitee.

3. Duration of Agreement. All agreements and obligations of the Company contained herein shall continue during the period Indemnitee is an officer and/or a director of the Company (or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Indemnitee shall be subject to any Proceeding by reason of his/her former or current capacity at the Company, whether or not he/she is acting or serving in any such capacity at the time any Expense is incurred for which indemnification can be provided under this Agreement. This Agreement shall continue in effect regardless of whether Indemnitee continues to serve as an officer and/or a director of the Company or any other enterprise at the Company’s request.

F. MISCELLANEOUS

1. Amendment of this Agreement. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall operate as a waiver of any other provisions (whether or not similar), nor shall such waiver constitute a continuing waiver. Except as specifically provided in this Agreement, no failure to exercise or any delay in exercising any right or remedy shall constitute a waiver.

2. Subrogation. In the event of payment to Indemnitee by the Company under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company to bring suit to enforce such rights.

3. Assignment; Binding Effect. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either party hereto without the prior written consent of the other party; except that the Company may, without such consent, assign all such rights and obligations to a successor in interest to the Company which assumes all obligations of the Company under this Agreement. Notwithstanding the foregoing, this Agreement shall be binding upon and inure to the benefit of and be enforceable by and against the parties hereto and the Company's successors (including any direct or indirect successor by purchase, merger, consolidation, or otherwise to all or substantially all of the business and/or assets of the Company) and assigns, as well as Indemnitee's spouses, heirs, and personal and legal representatives.

4. Severability and Construction. Nothing in this Agreement is intended to require or shall be construed as requiring the Company to do or fail to do any act in violation of applicable law. The Company's inability, pursuant to a court order, to perform its obligations under this Agreement shall not constitute a breach of this Agreement. In addition, if any portion of this Agreement shall be held by a court of competent jurisdiction to be invalid, void, or otherwise unenforceable, the remaining provisions shall remain enforceable to the fullest extent permitted by applicable law. The parties hereto acknowledge that they each have opportunities to have their respective counsels review this Agreement. Accordingly, this Agreement shall be deemed to be the product of both of the parties hereto, and no ambiguity shall be construed in favor of or against either of the parties hereto.

5. Counterparts. This Agreement may be executed in two counterparts, both of which taken together shall constitute one instrument.

6. Governing Law. This agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of New York, without giving effect to conflicts of law provisions thereof.

7. Notices. All notices, demands, and other communications required or permitted under this Agreement shall be made in writing and shall be deemed to have been duly given if delivered by hand, against receipt, or mailed via postage prepaid, certified or registered mail, return receipt requested, and addressed as follows:

To the Company:

China Liberal Education Holdings Limited
Attention: Chief Executive Officer

To Indemnitee:

At his/her address last known to the Company.

8. Entire Agreement. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto execute this Agreement as of the date first written above.

China Liberal Education Holdings Limited

By: _____
Name:
Title:

Indemnitee

Signature: _____
Name:

SALE AND PURCHASE AGREEMENT

This **SALE AND PURCHASE AGREEMENT**, dated as of Mar. 25, 2019 (the "**Agreement**"), is made by and among CHINA LIBERAL EDUCATION HOLDINGS LIMITED, a company duly incorporated under the laws of Cayman Islands with Company no. SI-348422 (the "**Cayman Co.**"), the individual listed on the signature page (the "**Shareholder**") who owns 100% of the issued shares of YI XIN INTERNATIONAL INVESTMENT LIMITED, a company duly incorporated under the laws of British Virgin Islands with company no.1610485 (the "**BVI Co.**") (individually a "**Party**" or collectively "**Parties**").

RECITALS

WHEREAS, the Shareholder as listed on Schedule A hereinafter is the equity shareholder of BVI Co.;

WHEREAS, the Shareholder desires to sell all the issued shares of the BVI Co. and her equity interest in BVI Co. to Cayman Co., and in consideration thereof, Cayman Co. has agreed to issue its ordinary shares in connection with such sale, upon the terms and conditions set forth in this Agreement;

WHEREAS, following the Sale and Purchase (as defined below), BVI Co. will become a wholly-owned subsidiary of Cayman Co.

NOW, THEREFORE, for and in consideration of the foregoing premises, the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

**SECTION I
SALE AND PURCHASE OF SHARES**

1.1 On the terms and subject to the conditions set forth in this Agreement, at the Closing, the Shareholder will sell, convey, transfer and assign to Cayman Co., free and clear of all liens, pledges, encumbrances, changes, restrictions or known claims of any kind, nature or description, and Cayman Co. will purchase and accept from the Shareholder, 100 shares of and in the BVI Co. which is equivalent to 100% of the equity interest and all the issued shares of BVI Co. (the "**BVI Shares**"), as set forth on Schedule A, and in consideration thereof, the Cayman Co. will issue one ordinary share of par value of USD1 in the Cayman Co. (the "**Cayman Shares**") to Ever Alpha Global Limited, a BVI company 100% owned by the Shareholder ("**Ever Alpha**"), as requested and designated by the Shareholder, the said sale and purchase is referred to herein as "Sale and Purchase". Upon completion of the Sale and Purchase, all the issued 100 ordinary shares of BVI Co. shall be held directly by Cayman Co. and the issue of the Cayman Shares to Ever Alpha will discharge and release all the obligations owing by the Cayman Co. to the Shareholder under this Agreement.

1.2 (1) The closing of the Sale and Purchase shall occur on Mar. _____, 2019 (the "**Closing**"). The Closing will take place at 10:00 a.m. at the offices of Kernel Business Services Limited, Unit 1102, 11/F, 29 Austin Road, Tsim Sha Tsui, Kowloon, HongKong, or at such other date, time and place or manner as may be agreed upon by the parties.

(2) At the Closing, upon the terms and subject to the conditions of this Agreement:

- (i) BVI Co. shall deliver or cause to be delivered:
 - (a) To Cayman Co., a board resolution approving BVI Co.'s entry into this Agreement and the sale of the BVI Shares to Cayman Co.;
- (ii) The Shareholder shall:
 - (a) Deliver or cause to be delivered to Cayman Co., an instrument of transfer of the BVI Shares to Cayman Co. (the "**BVI IOT**"), duly executed by the Shareholder (as transferor) as of the date of Closing;
 - (b) Deliver or cause to be delivered to Cayman Co., an instrument of transfer of the Cayman Shares to Ever Alpha (the "**Cayman IOT**"), duly executed by Ever Alpha (as transferee) as of the date of Closing;
 - (c) Deliver or cause to be delivered to Cayman Co., a board resolution of Ever Alpha approving the Ever Alpha's execution of the Cayman IOT;
 - (d) Surrender her share certificate(s) representing the BVI Shares;
- (iii) Cayman Co. shall deliver or cause to be delivered:
 - (a) To BVI Co. and the Shareholder, the BVI IOT, duly executed by Cayman Co. (as transferee) as of the date of Closing;
 - (b) To Ever Alpha, the Cayman IOT, duly executed by Cayman Co. (as transferor) as of the date of Closing; and
 - (c) To BVI Co. and the Shareholder, A board resolution of Cayman Co. approving Cayman Co.'s entry into this Agreement and its execution of the Cayman IOT and the BVI IOT.

(3) Within 14 business days after Closing:

- (i) BVI Co shall deliver or cause to be delivered to the Cayman Co. (a) the updated register of member of the BVI Co. to reflect that the Cayman Co. is the registered shareholder of the BVI Shares and (b) the share certificate representing the BVI Shares registered in the name of the Cayman Co..
- (ii) Cayman Co. shall deliver or cause to be delivered to Ever Alpha, (a) the updated register of members of the Cayman Co. to reflect that Ever Alpha is the registered shareholder of the Cayman Shares and (b) the share certificate(s) representing the Cayman Shares registered in the name of Ever Alpha.

1.3 The Cayman Shares issuable upon exchange and the BVI Shares to be exchanged pursuant to Section 1.1 shall be appropriately adjusted to take into account any other stock split, stock dividend, reverse stock split, recapitalization, or similar change in ordinary shares of Cayman Co. or ordinary shares of BVI Co., as the case may be, which may occur between the date of execution of this Agreement and the Closing, as to the Cayman Shares or BVI Shares, as the case may be.

SECTION II
SHAREHOLDER AND EVER ALPHA REPRESENTATIONS AND
WARRANTIES.

Each of the Shareholder and Ever Alpha hereby represents and warrants to Cayman Co., all of which representations and warranties are true, complete, and correct in all respects as of the date hereof and will be as of the Closing, as follows:

2.1 Each of the Shareholder and Ever Alpha has the right, power, legal capacity and authority to enter into and perform their respective obligations under this Agreement; and no approvals or consents are necessary in connection with it. All of the shares of ordinary shares of BVI Co. owned by the Shareholder are owned free and clear of all liens, pledges, encumbrances, changes, restrictions or known claims of any kind, nature or description.

2.2 The equity interest and all the shares of the BVI Co. owned by such Shareholder will, at the Closing, be validly transferred to Cayman Co. free and clear of any encumbrances and from all taxes, liens and charges with respect to the transfer thereof and such shares of BVI Co. shall be fully paid and non-assessable with the holder being entitled to all rights accorded to a holder of such shares of BVI Co..

SECTION III
BVI CO. REPRESENTATIONS AND
WARRANTIES.

BVI Co. hereby represents and warrants to Cayman Co., all of which representations and warranties are true, complete, and correct in all respects as of the date hereof and will be as of the Closing, as follows:

3.1 BVI Co. is a company duly incorporated pursuant to the laws of British Virgin Islands, and duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation.

3.2 BVI Co. has full power and authority to enter into and perform its obligations under this Agreement. This Agreement has been duly executed by BVI Co. and constitutes the legal, valid, binding and enforceable obligation of BVI Co., enforceable against BVI Co. in accordance with its terms.

3.3 The execution and delivery by BVI Co. of, and the performance by BVI Co. of its obligations hereunder in accordance with its terms will not contravene any provision of the memorandum and articles of association of BVI Co..

3.4 The BVI Shares constitute all of the equity interests of BVI Co.. No securities of BVI Co. are entitled to pre-emptive or similar rights, and no person has any right of first refusal, pre-emptive right, right of participation, or any similar right to participate in the transactions contemplated by this Agreement. There are no outstanding options, warrants, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exchangeable for, or giving any person any right to subscribe for or acquire, equity interests of BVI Co.. The transfer of BVI Shares contemplated by this Agreement will not, immediately or with the passage of time; (A) obligate BVI Co. to issue equity interests of BVI Co. or other securities to any person, or (B) result in a right of any holder of BVI Co. securities to adjust the exercise, conversion, exchange or reset price of such securities.

3.5 The BVI Co. undertakes not to issue or allot any further shares or any kind of securities of the BVI Co. to any party after signing this Agreement.

SECTION IV CAYMAN CO. REPRESENTATIONS AND WARRANTIES.

Cayman Co. hereby acknowledges, represents and warrants to, and agrees with the Shareholder and BVI Co. (which representations and warranties will be true and correct as of the date of the Closing as if they were made on the date of Closing) as follows:

4.1 Cayman Co. has been duly incorporated, is validly existing and is in good standing under the laws of Cayman Islands. Cayman Co. has full corporate power and authority to enter into this Agreement and this Agreement, has been duly and validly authorized, executed and delivered by Cayman Co. and are valid and binding obligations of Cayman Co., enforceable against Cayman Co. in accordance with their terms.

4.2 The execution and delivery by Cayman Co. of, and the performance by Cayman Co. of its obligations hereunder in accordance with its terms will not contravene any provision of the memorandum and articles of association of Cayman Co..

4.3 The Cayman Shares have been duly authorized and, when issued and delivered as provided by this Agreement, will be validly issued and fully paid and non-assessable, and the Cayman Shares are not subject to any preemptive or similar rights.

4.4 Cayman Co. is not in violation of its memorandum of association or articles of association and is not in material default in the performance of any bond, debenture, note or any other evidence of indebtedness or any indenture, mortgage, deed of trust, license, contract, lease or other instrument to which Cayman Co. is a party or by which it is bound, or to which any of the property or assets of Cayman Co. is subject, except such as has been waived or which would not, singly or in the aggregate, prevent Cayman Co. from discharging its obligations under this Agreement.

SECTION V
GENERAL PROVISIONS

5.1 **Releases and Waivers of the Shareholder.** The Shareholder on his own behalf hereby acknowledges and agrees that the BVI Shares set forth on Schedule A represents the entire BVI Shares issued by the BVI Co. and held by such Shareholder as of the date of this Agreement and as of the Closing. The Shareholder hereby releases Cayman Co. from all obligations, liabilities and causes of action arising before, on or after the date of this Agreement, out of or in relation to any entitlement which such Shareholder may have with respect to any BVI Shares in excess of the number of BVI Shares set forth on Schedule A. The Shareholder hereby generally, irrevocably, unconditionally and completely waives any and all rights to receive any anti-dilution protection to which such Shareholder may be entitled under the memorandum of association or articles of association or other organizational documents of BVI Co. or under any other agreement or instrument in connection with the Sale and Purchase. Except for the Cayman Shares to be issued to Ever Alpha in connection with the Sale and Purchase, the Shareholder hereby generally, irrevocably, unconditionally and completely waives any and all rights existing as of the date hereof to receive options, depository receipts, warrants, stock appreciation or similar rights to acquire or receive securities in BVI Co., or Cayman Co..

5.2 **Survival.** All representations, warranties, covenants, and obligations in this Agreement shall survive until the expiration of the applicable statute of limitation with respect to the underlying claim to which such representation, warranty, covenant, or obligation relates.

5.3 **Written Changes.** Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, except by a statement in writing signed by the Party against which enforcement of the change, waiver, discharge or termination is sought.

5.4 **Entire Agreement.** This Agreement constitutes the entire understanding and agreement of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements or understandings, inducements or conditions, express or implied, written or oral, between the Parties with respect hereto. The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof.

5.5 **Severability.** Should any one or more of the provisions of this Agreement or of any agreement entered into pursuant to this Agreement be determined to be illegal or unenforceable, all other provisions of this Agreement and of each other agreement entered into pursuant to this Agreement, shall be given effect separately from the provision or provisions determined to be illegal or unenforceable and shall not be affected thereby. The Parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision which will achieve, to the extent possible, the economic, business and other purposes of the void or unenforceable provision.

5.6 **Successors and Assigns.** The terms and conditions of this Agreement shall inure to the benefit of and be binding upon and be enforceable by the successors and assigns of the Parties.

5.7 **Governing Law**. The validity, terms, performance and enforcement of this Agreement shall be governed and construed by the provisions hereof and in accordance with the laws of the State of New York applicable to agreements that are negotiated, executed, delivered and performed in the State of New York.

5.8 **Counterparts**. This Agreement may be executed concurrently in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument and shall become effective when counterparts have been signed by each Party and delivered to the other Party.

5.9 **Further Assurances**. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

5.10 **Third Party Beneficiaries**. Nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any person other than the Parties any rights or remedies under or by reason of this Agreement.

5.11 **Headings**. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the Parties have executed and delivered this Sale and Purchase Agreement as of the date first written above.

YI XIN INTERNATIONAL INVESTMENT LIMITED

By: /s/ Lam Ngai Ngai
Name: LAM NGAI NGAI
Title: Director

CHINA LIBERAL EDUCATION HOLDINGS LIMITED

By: /s/ Lam Ngai Ngai
Name: LAM NGAI NGAI
Title: Director

LAM NGAI NGAI

Signature /s/ Lam Ngai Ngai

EVER ALPHA GLOBAL LIMITED

By: /s/ Lam Ngai Ngai
Name: LAM NGAI NGAI
Title: Director

SCHEDULE A

| Name of Shareholder | All the issued shares of BVI Co. Owned as of the Date of this Agreement | Shares of Cayman Co. to be Acquired By Ever Alpha Pursuant to the Sale and Purchase |
|----------------------------|--|--|
| LAM NGAI NGAI | 100 ordinary shares | one ordinary share |



**Huateng Century HQ Park
Property Lease Contract**

Lessor: Beijing Zhongmei Star International Film & TV Cultural Media Co., Ltd.

Lessee: China Liberal (Beijing) Education Technology Co., Ltd.

Date of Signing: May 29, 2018

Property Lease Contract

Lessor: Beijing Zhongmei Star International Film & TV Cultural Media Co., Ltd.

Address: 9# Courtyard, Chenjialin, Balizhuang Village, Gaobeidian Town, Chaoyang District, Beijing Municipality

Lessee: China Liberal (Beijing) Education Technology Co., Ltd.

Address: Room A-1301, Floor 2, Building 3, 30# Courtyard, Shixing Street, Shijingshan District, Beijing Municipality

According to the relevant national laws and regulations, and based on the principles of voluntariness, equality and mutual benefits, the Lessor and the Lessee have entered into this Contract through negotiation.

Chapter I: Leased Unit and Purpose

1. The Lessor agrees to lease the property as described in Schedule II hereto (hereinafter referred to as "Leased Unit") to the Lessee, which is located at [Huateng Century HQ Park] namely [Chaoyang District Balizhuang Cultural Creative Industrial Park], 9# Courtyard, Chenjialin, Balizhuang Village, Gaobeidian Town, Chaoyang District, Beijing Municipality (hereinafter referred to as "Park").
2. The Lessee shall rent the Leased Unit only for the purpose of office and training.
3. The Lessee shall rent and use the Leased Unit according to *Customer Service Manual of Huateng Century HQ Park* (hereinafter referred to as "Customer Manual") and *Decoration Manual of Huateng Century HQ Park* (hereinafter referred to as "Decoration Manual") as established by the property management company appointed by the Lessor, namely Beijing Tonghexinda Assets Management Co., Ltd. (hereinafter referred to as "Property Company").
4. In order to reasonably use the Leased Unit, the Lessee has the right to jointly use the public area and facilities of the Park with other users of the Park according to the provisions of *Customer Manual*.

Chapter II: Lease Term, Rent-free Period, Delivery and Renewal

1. See Schedule III hereto for the lease term and the starting date and ending date thereof.
2. See Schedule III hereto for the rent-free period and the starting date and ending date thereof. Within the rent-free period, the Lessee shall not pay rental; however, the Lessee shall pay the property management service fee, electricity charges, water charges, communication charges, gas charges (if any) arising from the use of the Leased Unit by the Lessee, as well as all other expenses that shall be assumed by user as specified in *Customer Manual*.
3. The Lessee shall fully pay the deposit to the Lessor as scheduled and prepay the rental of the three months after the rent-free period, and shall prepay the property management service fee of 55 days within the rent-free period and that of three months after the rent-free period to the property management company; in such case, the Lessor shall deliver the Leased Unit to the Lessee according to the delivery standards as described in Schedule II as from the starting date of the lease term; otherwise the Lessor shall deliver the Leased Unit as soon as the Lessee has fully paid up the aforesaid amounts.
4. The Parties agree that the renewal upon the expiration of the lease term shall subject to the provisions of Schedule VI hereto.

Chapter III: Rental, Property Management Service Fee, other Expenses and Payment Method

1. The Lessee shall, within 3 working days as from the date of signing of this Contract, prepay the rental of the three months after the rent-free period, and shall prepay the property management service fee of 55 days within the rent-free period and that of three months after the rent-free period to the property management company.
2. The Lessee shall, from the 20th to 25th day of each month of the lease term, prepay the rental, property management service fee and parking fee of next month to the Lessor and the property management company according to the standards as described in Schedule IV hereto.
3. The Lessee shall, according to *Customer Manual* of the Park and relevant public service supply rules, timely and directly pay the electricity charges, water charges, communication costs, gas charges (if any), etc as incurred by the Lessee in the Leased Unit to the Lessor or the property management company of the Park in full.
4. All taxes (if any) relating to this Contract shall be respectively assumed and paid by the Lessor or the Lessee according to Chinese laws.

Chapter IV: Deposit

1. The Lessee shall, within 3 working days as from the date of signing of this Contract, pay the rental deposit as specified in Schedule V hereto and the property management service fee deposit as described in Schedule V to the Lessor. Rental deposit and property management service fee deposit are collectively referred to as deposit, so as to guarantee that the Lessee will fully comply with all provisions of this Contract.

2. If the lease term hereunder expires or if the Contract is early terminated or dissolved, after the Lessee has returned the Leased Unit in conformity with the provisions hereof to the Lessor or the property management company, the Lessor shall decide to refund the deposit according to the following circumstances after having deducted the rental, property management service fee, other expenses, penalty, compensation , etc that shall be assumed by the Lessee:
 - 2.1 If the Lessee's registered address is not in the Park, the Lessor shall refund the deposit to the Lessee without interest within 15 days after the Lessee has paid up all expenses and moved out of the Park as scheduled.
 - 2.2 If the registered address of the Lessee and/or other subsidiary or branch of the Lessee's group, other representative office or affiliated enterprise (affiliated enterprises include controlling enterprise, shareholding enterprise, the enterprise with the same shareholder or legal person) is in the Park, the Lessee shall settle up all expenses and move out of the Park and shall complete the change of registered address within 15 working days. The Lessor shall refund the deposit to the Lessee without interest within 15 days after the Lessee has provided the copy of document of registered address change. If the Lessee and/or other subsidiary or branch of the Lessee's group, other representative office or affiliated enterprise (affiliated enterprises include controlling enterprise, shareholding enterprise, the enterprise with the same shareholder or legal person) fail to handle the procedures of change of enterprise registered address within 2 months after having moved out of the Park, the Lessor has the right not to refund the deposit to the Lessee, and the Lessee shall assume all consequences arising therefrom.
3. At any time of the lease term, the deposit shall equal to the sum of 3 months' house rental and property management service fee. If the deposit is insufficient, the Lessee shall make up the insufficiency within 3 working days after the receipt of the written notice from the Lessor and (or) property management company.

4. The Lessor and the property management company shall issue a receipt within 3 working days after having actually received the deposit as fully paid by the Lessee, and shall issue the invoice in conformity with the national regulations after having actually received the rental and property management service fee, etc as fully paid by the Lessee.

Chapter V: The Lessee's Responsibilities

Except as specified by other provisions of this Contract, the Lessee shall assume the following responsibilities:

1. The Lessee represents and warrants that it has obtained all necessary authority and approval to sign this Contract and rent the Leased Unit according to the provisions of this Contract.
2. The Lessee shall fully comply with and perform the *Customer Manual* of the Park and relevant public service supply rules. The Lessee shall neither noise or odd smell in the Park or the Leased Unit to impact other users, nor harass other users, nor damage, contaminate, misuse or block the public place or facilities of the Park, nor use the Leased Unit for any purpose other than the lease purpose hereunder, nor conduct gambling, immoral, illegal or improper activities by the use of the Leased Unit.
3. The Lessee shall, according to the provisions of this Contract, timely and directly pay the property management service fee, governmental taxes, electricity charges, water charges, communication costs, gas charges (if any), etc to the Lessor or the property management company of the Park in full.
4. Without the prior written consent of the Lessor, the Lessee may not sublet or sublease the Leased Unit in any form. [However, the Lessee may lend the Leased Unit to other subsidiary or branch of the Lessee's group, other representative office or affiliated enterprise (affiliated enterprises include controlling enterprise, shareholding enterprise, the enterprise with the same shareholder or legal person), provided that the Lessee shall produce corresponding certificate to the Lessor.]

5. The Lessee shall properly use and maintain the facilities in the Leased Unit (including all roofs, walls, platform, electric light, door, window, equipment, fixing device, pipes, etc (if any, same as below) (except reasonable wear and tear and the damage attributable to any defect of such facilities), and shall keep them in good and tidy state. The Lessee shall assume relevant repair costs in respect of the damage arising from the improper use of the Lessee.
6. By a prior written notice to the Lessee, the Lessor, the property management company or their agent shall have the right to enter and examine the use and repair circumstances of the Leased Unit at reasonable time, provided that the daily operation of the Lessee shall not be prejudiced. The Lessee shall actively cooperate with the Lessor or the property management company in examining and repairing the Leased Unit. The Lessee shall compensate for the personal injury or property damage as suffered by the Lessor or a third party due to the delay of the Lessee in repairing the Leased Unit.
7. Within six months prior to the completion of performance of this Contract, by a two working days' prior written notice to the Lessee, the Lessor or its agent shall have the right to check the Leased Unit with new lessee at reasonable time. However, the Lessor shall reduce the impact upon the normal work of the Lessee in the Leased Unit as much as possible while entering, examining or checking the Leased Unit.
8. The Lessee must fully comply with and perform the provisions of *Customer Manual* and *Decoration Manual* of the Park. Without the prior written consent of the Lessor and the property management company, the Lessee may not make any change to the internal or external structure and/or equipment and facilities of the Leased Unit (including but not limited to ornament, decoration, or demolishing or changing pipes or electric circuit, etc, same as below).

9. The Lessee shall have the right to equally use the public area and facilities of the Park with other persons. Meanwhile, the Lessee shall keep the public area clean and keep the equipment and facilities in good condition. The Lessee shall assume the repair costs if it causes any damage to any equipment and facilities of the public area (excluding natural wear and force majeure).
10. The Lessee may not make any decoration or rebuilding works, unless its decoration and rebuilding scheme have been agreed by the Lessor in writing. If the Lessee needs to obtain the prior approval from the governmental department, the Lessee shall also handle corresponding examination and approval procedures. The Lessee may not change the main structure and/or load bearing of the Leased Unit.
11. Without the written consent of the Lessor and the property management company, the Lessor may not occupy or rebuild any area other than the Leased Unit.
12. The Lessee may not place weapons, ammunition, illegal things, flammables or any such things that exceed the load of the floor in the Leased Unit.
13. The Lessee shall be liable for any casualty or losses as suffered by the Lessee, licensor or visitor in the Leased Unit for any reason whatsoever.
14. If the lease term hereunder expires or the Contract is early terminated as specified herein, the Lessee shall, according to the provisions of *Customer Manual*, handle move-out procedures with the property management company and shall restore the Leased Unit to the available state according to the requirements of the property management company.
15. The Lessee may not hang its sign board on the façade of the Leased Unit; if necessary, the Lessee must obtain the written consent from the Lessor.

Chapter VI: The Lessor's Responsibilities

Except as specified by other provisions of this Contract, the Lessor shall assume the following responsibilities:

1. The Lessor represents and warrants that it owns the lease right and income right of the Leased Unit and has the power to sign this Contract and lease the Leased Unit to the Lessee according to the provisions of this Contract.
2. The Lessor shall actively handle the relevant examination and approval procedures (such as fire fighting acceptance, completion acceptance, etc) of the Leased Unit and obtain relevant certificates.
3. At the time of delivering the Leased Unit to the Lessee, the Lessor shall provide the list of all fixing devices and equipment of the Leased Unit. The Lessee shall timely check and sign such list as proof. (Besides, the Lessor will not assume the cleaning and any other services of the Leased Unit, but the property management company may provide compensated services.)
4. Provided that the Lessee fully complies with all provisions of this Contract, the Lessor shall guarantee that the Lessee will use the Leased Unit without obstruction, and that the Lessee will not be disturbed by the Lessor and/or its mortgagee or lawful principal.
5. The Lessor shall contact with the property management company of the Park, cause the property management company to provide management services, maintain and repair the roofs, main walls, elevators, public parts and facilities of the Park, and shall pay the non-recurring repair costs other than management expenses.
6. If, within the lease term, the Lessor transfer the Leased Unit or the "Park" where the Leased Unit is located to any third party in whole or in part, the Lessor undertakes that such third party will continue performing all rights and obligations of the Lessor hereunder in replace of the Lessor.
7. If the Lessor takes back the Leased Unit due to force majeure or the default of the Lessee, the Lessor shall refund double the deposit to the Lessee, and shall pay a penalty to the Lessee according to the renal corresponding to the rent-free period.

Chapter VII: Termination

1. In case of any of the following events, the Lessor may unilaterally terminate this Contract, and 1) the deposit as paid by the Lessee according to this Contract shall be taken as penalty and will not be refunded; 2) the Lessee shall make up the rental corresponding to the rent-free period as penalty; 3) the Lessee shall compensate for all economic losses as suffered by the Lessor:
 - 1.1 The Lessee fails to pay any rental, property management service fee, deposit or other expenses for more than 30 days of delay.
 - 1.2 The Lessee announces bankrupt, or is applied for bankruptcy by the creditor, or becomes insolvent;
 - 1.3 The Lessee conducts illegal operation;
 - 1.4 The Lessee changes the main structure of the Leased Unit without permission;
 - 1.5 The Lessee sublets, subleases or otherwise actually sublets or subleases the Leased Unit without the Lessor's written consent;
 - 1.6 The Lessee damages the equipment or facilities of the Leased Unit or the Park without the Lessor's permission, and fails to repair them within the reasonable time as notified by the Lessor in writing.

In case of any of the aforesaid events, the Lessor has the right to immediately terminate this Contract by a notice. The Lessee must immediately move out of the Leased Unit; otherwise, in addition to penalty and liability for compensation as specified in the foregoing, the Lessee shall pay a penalty to the Lessor according to double the monthly rental per day of delay, from the date when the Lessee shall move out but fails to move out of the Leased Unit to the date when the Lessee actually moves out of the Leased Unit.

2. If the Lessee cannot or feels difficult to use the Leased Unit due to force majeure, the Parties shall properly reduce or suspend the payment of rental through negotiation according to the reality. If the aforesaid event lasts for more than three months, either party may immediately terminate this Contract by a written notice to the other party.
3. The Lessor and the Lessee agree that if the Contract is early terminated according to the provisions as agreed by the Parties, such termination shall be legally binding upon the Parties.

Chapter VIII: Liabilities for Breach

1. If the Lessee fails to fully pay the rental, property management fee and/or other use fee of the Leased Unit that are payable as scheduled herein (whether urged by the Lessor), the Lessee shall pay late fee to the Lessor at the rate of 0.2% per day of delay, from the date when the arrears becomes due and payable to the date when the Lessee has actually paid them.
2. If the Lessee throws the lease and move out of the Leased Unit without permission, the deposit paid by the Lessee to the Lessor will not be refunded, the Lessee must make up the rental corresponding to the rent-free period as penalty, and the Lessor reserves the right of recovery against the Lessee.
3. If the Lessee causes any loss or damage to the Leased Unit and its fixing devices and/or equipment (except reasonable wear and tear and the damage attributable to any defect of such facilities), the Lessee must make compensation to the Lessor.

4. The Lessor shall not be liable for any losses arising from the failure or suspension of the elevator, public lighting, air conditioning, electric light, water supply of the Park attributable to the cause of a third party (excluding the third party as invited, entrusted or appointed by the Lessor), except that the Lessor has fault. The Lessor shall not be liable for any losses as suffered by the Lessee due to the name change of the Park.
5. In no event shall the Lessor be liable for any losses as suffered by the Lessee due to the act, negligence or fault of any other user of the Park, except that the Lessor has fault.
6. If any person investigates against the Lessor for responsibilities due to the fault of the Lessee, which brings any losses due to the Lessor, the Lessee must make corresponding compensation to the Lessor, including all expenditures, attorney's fee, litigation costs, etc as paid by the Lessor.
7. The Lessor receiving rental of the Lessee shall not mean that the Lessor waive the right to investigates against the Lessee for the liability for non-performance.
8. The Lessee shall ensure that its users, employees, licensees or visitors who use the Leased Unit shall comply with all provisions of this Contract; any breach of this Contract by any such person shall be deemed as the breach of the Lessee.
9. If the Lessor delays in delivering the Leased Unit due to the Lessor's cause, the rent-free period of the Lessee shall be increased by one day per day of delay, and so on, and the starting date of the lease term hereunder shall be postponed. If the Lessor delays in delivering the Leased Unit for more than three natural days, the Lessee has the right to choose to unilaterally dissolve this Contract at any time, and the Lessor and the property management company shall fully refund the deposit as paid by the Lessee (without interest) within 10 days after the dissolution of this Contract, and the Lessor shall additionally pay the penalty equal to three months' (after the rent-free period) rental to the Lessee; however, the Lessor shall not assume any other liability for compensation to the Lessee.

Chapter IX: Miscellaneous

1. The interpretation, performance and dispute resolution of this Contract shall be governed by Chinese laws and the relevant regulations of Beijing Municipality.
2. Any dispute relating to this Contract or the performance hereof shall be settled by the Parties through friendly negotiation. In case negotiation fails, either party hereto has the right to lodge a suit to the competent people's court of the place where the Park is located.
3. For the purpose of this Contract, "Leased Unit" shall include any part of the Leased Unit.
4. The schedules hereto shall form a part of this Contract.
5. This Contract constitutes an entire agreement between the Parties in respect of the Leased Unit, and supersedes all previous discussion, representations and agreements of the Parties.
6. This Contract may not be modified unless the Parties sign a written document.
7. This Contract is written in Chinese. The English translation (if any) of this Contract is only for reference and has no force.
8. This Contract shall become effective as soon as this Contract has been signed by the legal representatives or authorized representatives of the Parties and stamped with official seals (or special contract seals) and the Lessee has fully paid the deposit, initial rental and property management service fee to the Lessor and (or) the property management company within 3 working days after the signing of this Contract. This Contract is made in four originals of the same legal force, two for each party hereto.

(No Text Below)

Execution Page

Lessor: Beijing Zhongmei Star International Film & TV Cultural Media Co., Ltd.

Seal:

Authorized Representative: (Signature)

Tel:

Special Contract Seal of Beijing Zhongmei Star International Film & TV Cultural Media Co., Ltd. (Seal)

宁：北京中美明星国际影视文化传
：中美明星国际影视文化有限公司
代表：合同专用章
电话：01085781050



Lessee:

Seal:

Authorized Representative: (Signature)

Tel:

Date of Signing: May 29, 2018

Special Contract Seal of China Liberal (Beijing) Education Technology Co., Ltd. (Seal)

华夏博雅(北京)教育科技股份有限公司
合同专用章
1361370160079



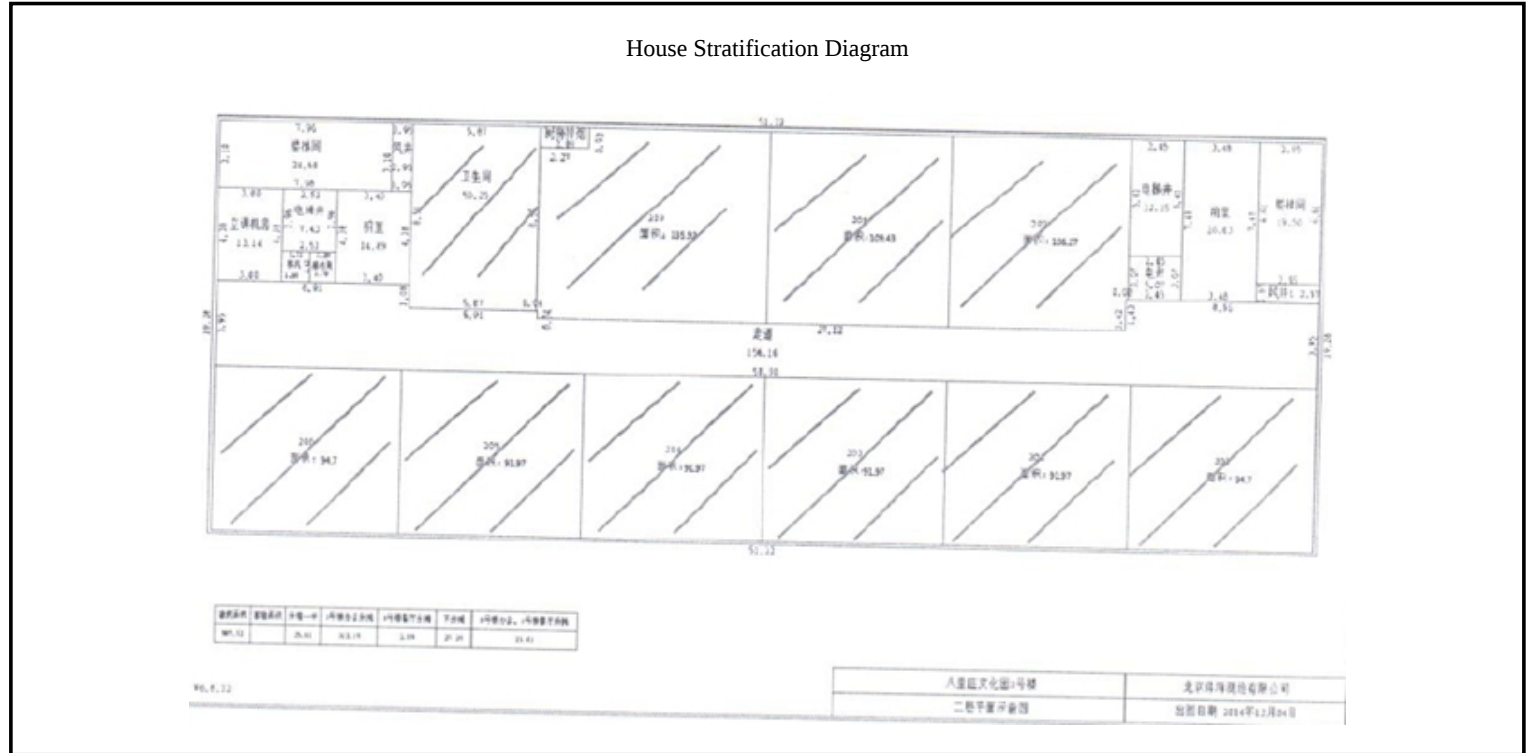
Schedule I (Copy of Business License of the Lessee)

Schedule II (Leased Unit and Location, Plan and Delivery Standards)

Room 201, 202, 203, 204, 205, 207, 208, 209, Floor 2, Building 1, [Huateng Century HQ Park] namely [Chaoyang District Balizhuang Cultural Creative Industrial Park], 9# Courtyard, Chenjialin, Balizhuang Village, Gaobeidian Town, Chaoyang District, Beijing Municipality

Lease area of the Leased Unit (namely building area) is 909 m² (subject to being finally measured). Delivery standards: rough (without door and suspended ceiling; cement mortar surface; waterproof puffy).

See Diagram of the Leased Unit (Shaded Area)



Schedule III (Lease Term)

Lease Term: the lease term of the Leased Unit is 48 months in total from June 1, 2018 to May 31, 2022 (including the starting date and ending date).

Rent-free Period: the rent-free period of the Leased Unit shall be 55 days from June 1 to July 25, 2018 (including the starting date and ending date).

Schedule IV (Rental, Property Management Service Fee, Parking Fee)

Part 1 – Rental (paid by the Lessee to the Lessor)

Rental: **Part 1 – rental (paid by the Lessee to the Lessor)**

From June 1, 2018 to May 31, 2020, the rental shall be RMB 5.14/day per square meters of building area, monthly rental shall be (RMB 142,114.58), (calculation formula: lease area [909] m² * RMB [5.14] /day per square meters of building area * 365 days/12 months = [RMB 142,114.58]/month)

From June 1, 2020 to May 31, 2022, the rental shall be increased by 8%, namely RMB 5.55/day per square meters of building area, monthly rental shall be (RMB 153,483.74), (calculation formula: lease area [909] m² * RMB [5.55] /day per square meters of building area * 365 days/12 months = [RMB 153,483.74]/month)

The rental of the three months after the rent-free period is RMB 426,343.74 in total, which shall be paid by the Lessee to the Lessor within 3 working days after the date of signing of this Contract. Except the initial rental as paid above, the Lessee shall, from the 20th to 25th day of each month of the lease term, prepay the rental of next month to the Lessor according to the aforesaid standards.

Bank account for receiving rental:

Payee: Beijing Zhongmei Star International Film & TV Cultural Media Co., Ltd.

Opening Bank: Industrial and Commercial Bank of China Co., Ltd. Beijing Shilipu Sub-branch

Account No.:

Part 2 – Property Management Service Fee (paid by the Lessee to the property management company)

Property management service fee shall be RMB 0.86/day per square meters of building area, monthly property management service fee shall be (RMB 23,777.93), (calculation formula: lease area [909] m² * RMB [0.86] /day per square meters of building area * 365 days/12 months = [RMB 23,777.93]/month)

If the property management service fee will be adjusted after the third year, the adjustment range shall be based on the property management operating costs of the property management company as appointed by the Lessor, namely Beijing Tonghexinda Assets Management Co., Ltd.

The property management service fee of 55 days in the rent-free period shall be RMB 42,995.7 in total, which shall be prepaid by the Lessee to Beijing Zhongmei Star International Film & TV Cultural Media Co., Ltd. within 3 working days after the date of signing of this Contract.

The property management service fee of the three months after the rent-free period is RMB 71,333.79 in total, which shall be paid by the Lessee to the property management company within 3 working days after the date of signing of this Contract. Except the initial property management service fee as paid above, the Lessee shall, from the 20th to 25th day of each period of the lease term, prepay the property management fee of next month to the property management company according to the aforesaid standards.

Bank account for receiving property management fee:

Payee: Beijing Zhongmei Star International Film & TV Cultural Media Co., Ltd.

Opening Bank: Industrial and Commercial Bank of China Co., Ltd. Beijing Shilipu Sub-branch

Account No.:

Within the lease term, the payment cycle of the property management service fee: the Lessee shall pay property management fee to Beijing Zhongmei Star International Film & TV Cultural Media Co., Ltd. once every three months.

Part 3 – Parking Fee

Parking Fee Within the lease term, the Lessor provides 0 parking lot to the Lessee free of charge.

Parking lot rental: RMB /month/vehicle (paid by the Lessee to the Lessor)

Parking lot management fee: RMB /month/vehicle (paid by the Lessee to the Lessor)

Within the lease term, the Lessor provides / aboveground parking lot to the Lessee.

Parking lot rental: RMB /month/vehicle (paid by the Lessee to the Lessor)

Parking lot management fee: RMB /month/vehicle (paid by the Lessee to the Lessor)

The Lessee shall actively handle parking lot procedures with the property management company at the time of delivery.

Schedule V (Deposit)

Unless otherwise stated by this Contract, the deposit shall be equal to the sum of the following amounts:

1. Rental deposit (paid by the Lessee to the Lessor):

From June 1, 2018 to May 31, 2022, the deposit shall be three months' rental, namely RMB 426,343.74. The rental deposit RMB / as previously paid by the Lessee shall be automatically transferred to a part of rental deposit, and the Lessee shall make up the insufficiency.

2. Property management service fee deposit (paid by the Lessee to the Lessor):

From June 1, 2018 to May 31, 2022, the deposit shall be three months' property management fee, namely RMB 71,333.79. The property management fee deposit RMB / as previously paid by the Lessee shall be automatically transferred to a part of property management fee deposit, and the Lessee shall make up the insufficiency.

Bank account for receiving deposit:

Payee: Beijing Zhongmei Star International Film & TV Cultural Media Co., Ltd.

Opening Bank: Industrial and Commercial Bank of China Co., Ltd. Beijing Shilipu Sub-branch

Account No.:

Schedule VI (Renewal)

If the Lessee desires to continue renting the Leased Unit after the expiration of this Contract, the Lessee shall notify the Lessor in writing six months prior to the expiration of the lease term.

[The following part is deliberately blank]

House Lease Contract

Lessor (hereinafter referred to as Party A): Beijing Shangbao Art Development LLC

Lessee (hereinafter referred to as Party B): China Liberal (Beijing) Education Technology Co., Ltd.

According to *Contract Law of the People's Republic of China* and relevant laws and regulations, and based on the principles of equality and voluntariness, and in order to specify the rights and obligations of the Parties, Party A and Party B have entered into this Contract through negotiation in respect of Party B renting the house of Party A.

Article I Basic Conditions of House

1. The house leased by Party A to Party B hereunder is located at Room 108, Block A, Shangbao Art Park, Xiaobao Village, Songzhuang Town, Tongzhou District, Beijing Municipality.

2. The building area of the leased house is nearly 130 m².

3. (1) The house has met the living conditions; water, heating, electricity and toilet have all been completed; open kitchen does not meet the condition of open fire, and the lessee may be only permitted to use electromagnetic oven. The lessee shall prepare kitchen equipment itself. (This provision is only applicable to studio).

(2) The house is rough, with available water, heating and electricity. Secondary decoration shall be implemented according to the decoration scheme as reported by Party B to Party A.

Article II Lease Term and Purpose

1. The lease term of the house shall be three years from May 1, 2018 to April 30, 2021.

2. Party B undertakes to Party A that it shall rent the house only for the purpose of studio.

3. Upon the expiration of the lease term, Party A has the right to take back the house, and Party B shall return the house as scheduled.

If Party B needs to renew the lease, it shall send a 3 months' prior written notice to Party A prior to the expiration of the lease term; with Party A's consent, the Parties shall sign a new lease contract.

Article III Rental and Payment Method

1. Rental standard: RMB 80,000/year.

2. Payment method:

(1) A lump-sum payment. Party B shall on the date of signing of this Contract, pay the rental of whole year to Party A in a lump sum, namely RMB 80,000.00.

(2) Afterwards the rental of each year shall be paid in a lump sum in April.

(3) The annual rental shall be increased by no more than 20% of that of last year as from the 2nd year.

Article IV House Lease Deposit

1. Party B shall on the date of signing of this Contract, pay RMB 10,000 to Party A as house lease deposit.

2. Upon the expiration of the lease term, Party A shall refund house lease deposit to Party B after having deducted the expenses and rental that shall be paid by Party B as well as the liability for compensation that shall be assumed by Party B.

Article V Relevant Expenses and Taxes in Lease Term

1. Party A shall assume the following expenses:

Within the lease term, Party A shall pay the property taxes of the house and land according to law. If relevant governmental department levies any fee that is not specified in this Contract but relates to the house, the Parties shall decide through negotiation.

2. Party B shall assume the following expenses:

Water charges, electricity charges, heating charges and property hygiene costs. Party B shall pay the aforesaid expenses that shall be assumed by it as scheduled. Party A may not increase any expenses that are not specified herein on Party B without permission.

Article VI Repair and Use of the House

1. Within the lease term, Party A shall guarantee the use safety of the leased house. The duty of repair of the house and ancillary facilities shall be assumed by Party A, except as specified in this Contract and the supplementary clauses (except due to any improper use of Party B).

Party A shall not assume the duty of repair in respect of the decoration and ornament of Party B.

2. Party B shall reasonably use the house as rented by it and ancillary facilities. In respect of any damage of the house and/or ancillary facilities due to improper use of Party B, Party B shall immediately repair such damage or make economic compensation.

If Party B changes the internal structure of the house, or repairs or sets up any equipment that impact the structure of the house, it shall obtain the prior written consent from Party A in respect of the design scale, scope, workmanship, materials, etc. If the lease term expires or Party B throws the lease due to its own cause, the decorations attached to the house shall be owned by Party A, except as otherwise agreed by the Parties.

3. Party A shall make water, electricity and heating available to the leased house. Party A shall be liable for the use safety of the water, electricity and heating facilities outside the leased house, and Party B shall be liable for the use safety of the water, electricity and heating facilities in the leased house (including decorated and increased parts).

4. If the leased house and/or ancillary facilities are damaged due to the flood or fire attributable to the improper use of water and/or electricity facilities by Party B, Party B shall restore the house to its original state; if the surrounding house is damaged therefore, Party B shall assume the liabilities of repair and compensation. Besides, Party A reserves the right to claim against Party B.

5. Party B shall strengthen the management on its personnel and do fire fighting, anti-theft and personal safety work well; in case of any problem, Party B shall assume the responsibilities arising therefrom and shall compensate for the losses as suffered by Party A therefore.

Article VII Transfer and Sublease of the House

1. Within the lease term, Party A has the right to transfer the leased house according to the legal proceedings. After such transfer, this Contract shall be legally binding upon the new owner of the house and Party B.

2. Without Party A's consent, Party B may not sublease or lend the house.

Article VIII Alteration, Dissolution and Termination of the Contract

1. In case of any of the following events of Party A, Party B has the right to unilaterally dissolve this Contract:

(1) Party A fails to deliver the house as scheduled herein, or the house delivered by Party A does not meet the specified conditions, which seriously impacts the use of Party B;

(2) Party B cannot normally use the house due to the failure of Party A to perform the duty of repair to the house;

(3) The house delivered by Party A endangers the safety or health of Party B.

2. In case of any of the following events of Party B, Party A has the right to unilaterally dissolve this Contract and take back the house:

(1) Party B subleases or lends the house without Party A's prior written consent;

(2) Party B demolishes changes or damages the main structure of the house without permission;

- (3) Party B changes the lease purpose as specified herein without Party A's written consent;
- (4) Party B stores any dangerous things or conducts any illegal activities by the use of the leased house;
- (5) Party B delays in paying rental and the expenses that shall be paid by Party B as agreed herein.

3. If Party B intends to continue renting the house, it shall send a 3 months' prior written notice to Party A prior to the expiration of the lease term. If Party A still externally leases the house after the expiration of the lease term, Party B shall have the priority under equal conditions.

4. Upon the expiration of the lease term, this Contract shall be naturally terminated and Party B shall restore the house to its original state. If Party B throws the lease midway, it shall be deemed as the default of Party B, and Party A will not refund the rental and deposit that have been paid by Party B.

5. In case of any of the following events, this Contract shall be terminated and neither party shall assume the liability for breach to the other party:

(1) The house is included in the list of removal due to urban construction; (Party A is obligated to demand reasonable operating and decoration compensation from the removal unit for Party B)

(2) Any damage or loss of the house or other losses attributable to force majeure, such as earthquake, war, etc.

Article IX Delivery and Take-back Acceptance of the House

1. Party A shall guarantee that the leased house and ancillary facilities and equipments are in available state.

2. The Parties shall jointly participate in inspecting and accepting the house according to the provisions of Schedule I. If either party has any objection in respect of the decoration, device, facilities or equipment, it shall put forward the objection on site; if it is difficult to detect and judge on site, it shall put forward the objection to the other party within 7 days.

3. Upon the expiration of the lease term, Party B shall return the leased house and ancillary facilities and equipment to Party A in original state.

4. At the time of return, Party B shall keep the house and facilities and equipment in good state. In case of any damage, Party B shall make compensation. Party B may not leave any things in the house or otherwise impact the normal use of the house. Party A has the right to dispose of the things that are left without consent.

5. Party B shall restore the house to its original state at the time of throwing the lease.

Article X Liabilities for Breach of Party A

1. If this Contract is dissolved due to the failure of Party A to provide the house as specified herein, it shall pay 1 month's rental to Party B as penalty.

2. If Party A fails to perform the duty of repair as specified herein, it shall assume the liability for breach to Party B and compensate for the losses as suffered by Party B according to the provisions of this Contract. If Party B repairs the house for Party A, Party A shall reimburse the repair costs as paid by Party B therefore.

3. If Party A early takes back the house in violation of the provisions of this Contract, it shall pay a penalty to Party B at the rate of 25% of the annual rental as specified herein.

4. In case of any of the following events of Party A, Party B has the right to unilaterally dissolve this Contract and require Party A to pay 1 month's rental as penalty:

(1) Party A delays in delivering the house for 30 or more days of delay;

(2) The house delivered by Party A fails to meet the provisions of this Contract or impacts the safety or health of Party B;

(3) Party B cannot normally use the house due to the failure of Party A to perform the duty of repair as specified herein;

(4) Within the lease term, Party A enters the place of Party B without prior notice and impacts the normal work or living of Party B.

Article XI Liabilities for Breach of Party B

1. Within the lease term, in case of any of the following events of Party B, Party A has the right to terminate this Contract and take back the house, and Party B shall pay a penalty to Party A at the rate of 25% of the annual rental as specified herein.

- (1) Party B subleases or lends the house to other person without Party A's written consent;
- (2) Party B demolishes or changes the house structure or otherwise damages the house structure without Party A's written consent;
- (3) Party B changes the lease purpose as specified herein, or conducts illegal activities by the use of the house;
- (4) Party B fails to pay any rental for more than 7 days of delay.

2. If, within the lease term, Party B delays in paying the expenses that shall be assumed by Party B hereunder, Party B shall pay a penalty to Party A at the rate of 1% of the aforesaid amount per day of delay.

3. If, within the lease term, Party B throws the lease midway without Party A's written consent, Party B shall pay the penalty that is equal to the amount of the deposit to Party A, and Party A will not refund the rental that has been paid by Party B.

4. If Party B delays in paying any rental, Party B shall pay late fee that is equal to 2 times the daily rental to Party A per day of delay.

5. Upon the expiration of the lease term, Party B shall return the house as scheduled; otherwise Party B shall pay the penalty that is equal to 2 times the daily rental to Party A per day of delay.

6. If Party B fails to pay any rental for more than 30 days of delay, Party A will take back the house and stop supplying water, electricity and heating. The things as left by Party B in the house will be deemed as being given up by Party B; Party A may dispose of such things in its sole discretion, and Party B has no objection.

Article XII Disclaimer

1. The performance of this Contract cannot be continued or losses are caused due to force majeure, neither party hereto shall be held responsible.

2. Party A declares that the house hereunder is built and operated according to the relevant policies of local villagers' committee and is the corporate behavior. Party A and Party B conclude this Contract on the precondition that the Parties undertake to comply with the relevant policies and regulations of local government. Within the lease term, if the performance of this Contract cannot be continued due to the compulsory removal of the house by local government, neither party hereto shall be held responsible.

3. If this Contract is terminated due to the aforesaid cause, the rental shall be calculated according to the number of days of actual use, and Party A shall refund the remaining of rental to Party B. Party A shall not assume the losses of decorations and additions of Party B.

4. The suitability and safety of the house and ancillary facilities and equipment as provided by Party A to Party B have been confirmed by the Parties. Party A shall not be liable for any personal injury and/or property loss attributable to any improper use of Party B.

Article XIII For any matter not covered herein, the Parties may sign supplementary clauses through negotiation. Supplementary clauses and appendixes hereto shall form a part of this Contract and bear the same legal force as this Contract.

Article XIV Dispute Resolution

Any dispute arising from this Contract shall be settled by the Parties through negotiation or submitted for mediation; if negotiation or mediation fails, either party may lodge a suit to the competent people's court according to law.

Article XV Miscellaneous and Special Declaration:

No pets are allowed in the Park. This Park does not suit for kids. If Party B needs to install external unit of air-conditioner, it must obtain the consent of Party A, and Party A shall specify the installation place according to the house structure; otherwise Party B shall compensate for the losses arising therefrom. Party B may not install any advertisement signboard without Party A's written consent; Party B shall submit the construction scheme to Party A for filing (Party A only cooperates with Party B. If the administration for industry and commerce disallows, it shall have nothing to do with Party A.) Party B may not construct secondary decoration without Party A's written consent, and shall submit the construction scheme to Party A for filing. Within 7 days after having settling in the Park, the personnel whose household register is not in this city shall handle temporary residence permit with the local police station. The operating activities, personnel daily management, fire fighting, antitheft, personal safety, etc of Party B shall be elaborate and considerable, subject to various uncertain factors. Party A requires Party B to give top priority to the overall situation in respect of all works. Party B shall be fully jointly and severally liable for any accident, event or adverse impact arising from the improper management of Party B. Party B may not impact other lessee in daily work. Party B shall have no objection to this respect.

Article XVI This Contract shall become effective upon being signed (sealed) by the Parties. This Contract and Appendix hereto are made in two originals of the same legal force, one for each party hereto.

Party A (Signature and Seal): Beijing Shangbao Art Development LLC
Authorized Representative (Signature): (Signature)



Party B (Signature and Seal):
Authorized Representative (Signature): (Signature)



Date of Signing: April 19, 2018
Special Contract Seal of Beijing Shangbao Art Development LLC (Seal)

Date of Signing: April 17, 2018
Special Contract Seal of China Liberal (Beijing) Education Technology Co., Ltd.

- Appendix I: Charging standards of water, electricity, heating and cleaning costs
- Water charges: 6.40 Yuan/ton (floating according to the changes of local prices)
 - Electricity charges: 1.25 Yuan/kW·h (floating according to the changes of local prices)
 - Heating charges: 45 Yuan/m²/heating season (temporary)
 - Property management fee: 2400 Yuan/year (temporary)

House Lease Contract

Lessor: Chen Zhuoguan

Lessee: China Liberal (Beijing) Education Technology Co., Ltd.

House Lease Contract

Party A (Lessor): Chen Zhuoguan ID Card No.: 350126196807064117

Party B (Lessee): China Liberal (Beijing) Education Technology Co., Ltd.

Uniform Social Credit Code: 91110107575151539T

Article I Basic Conditions of House

1. Party A leases the house located at 02# Business Office, Floor 24, Tower A, Fuli Center, No. 26 (Original South Side of Shangpu Road), Xiangban Street, Ninghua Sub-district, Taijiang District, Fuzhou, Fujian Province (hereinafter referred to as Leased Property) to Party B for the purpose of office. The building area of the Leased Property is 70.25 m². Party B has fully understood the detailed location, building area, purpose, etc of the Leased Property and agrees to rent the Leased Property.

2. The Leased Property is used for the purpose of office. Within the lease term, Party B may not change the purpose of the Leased Property without the prior written consent of Party A.

Article II Lease Term

1. The lease term of the Leased Property shall be 36 months from July 27, 2018 to July 26, 2021.

Article III Performance Bond

1. At the time of signing this Contract, Party B shall pay the performance bond RMB thirteen thousand three hundred and forty seven (¥13,347) to Party A as the performance bond the house lease. Upon the expiration or termination of the Contract, Party A shall refund the performance bond to Party B without interest, provided that the house is in good condition through Party A's acceptance and all expenses have been settled up.

2. Party B shall move its industrial and commercial registered address out of the place where the Leased Property is located one month prior to the expiration of this Contract. Party A shall refund the performance bond without interest as soon as it has confirmed that Party B has moved out.

Article IV Rental, Payment Method and Expenses

1. Within the 12 months from July 27, 2018 to July 26, 2019, Party A shall charge the monthly rental RMB six thousand six hundred and seventy three (¥6,673) from Party B (the rental shall not include tax).

2. Within the 12 months from July 27, 2019 to July 26, 2020, Party A shall charge the monthly rental RMB seven thousand one hundred and forty (¥7,140) from Party B (the rental shall not include tax).

3. Within the 12 months from July 27, 2020 to July 26, 2021, Party A shall charge the monthly rental RMB seven thousand six hundred and forty (¥7,640) from Party B (the rental shall not include tax).

4. Party B has understood the property management fee as well as the water, electricity, communication charges and taxes as incurred by the Leased Property. During the lease term, Party B shall assume the property management fee according to the regulations of the property management department of the building, and pay corresponding water and electricity charges according to the shared area. Party B shall pay the aforesaid expenses to the property management department of the building or relevant department according to the charging standards of water company, power bureau, electricity management bureau, telecommunication company, etc.

5. Payment method of rental: Party B shall adopt the method of monthly payment in the principle of “use after payment”. Party B shall prior to the 27th day of each month, pay the rental of such month to Party A. Party B shall deposit the rental in the account as appointed by Party A: Opening Bank: China Construction Bank Fuzhou Exhibition City Sub-branch

Account Name:

Account No.:

Article V Use, Decoration and Repair of Leased Property, Rights and Obligations

1. Within the lease term, Party B shall handle the examination and approval documents as necessary for operation. If Party B is ordered to close down by relevant governmental department or cannot conduct operation due the failure of Party B to handle the examination and approval documents as necessary for operation due to Party B's cause, Party B shall assume the responsibilities arising therefrom. Party A shall provide the relevant materials that are required by Party B to handle business license (such as completion acceptance license, fire fighting license, presale registration certificate, and other materials that Party A and the property management department can provide), as well as the hardware agreement about Party A's fixing devices, such as air-conditioner installation and repair.

2. If Party B transfers, sublets or subleases the Leased Property to other person, it shall obtain the written consent from Party A.

3. Within the lease term, Party B shall enjoy the use right of the Leased Property and ancillary facilities, and shall maintain and repair the special facilities in the Leased Property. Within the lease term, Party A or its authorized property management company shall have the right to examine and supervise the use of the Leased Property by Party B, and Party B shall give assistance.

4. Party B shall properly use and maintain the Leased Property and ancillary facilities, and shall timely eliminate any possible obstacles and dangers, so as to avoid all possible hidden dangers. In case of any damage or loss of the Leased Property and/or its ancillary facilities due to the improper use of Party B, Party B shall make repair or compensation. In case of any damage of the house due to the quality problem of the house or the fault of Party A, Party A shall repair such damage, and shall compensate for the losses as suffered by Party B therefore.

5. Party B shall strictly comply with *Safety Production Law*, *Fight Fighting Law* and other laws and regulations, and shall earnestly perform enterprise safety subject responsibilities. In case of any accident, Party B shall report the relevant governmental department according to the regulations and shall report to Party A, and shall assume the legal and economic compensation responsibilities.

6. Any decoration or renovation made by Party B to the Leased Property shall conform to the provisions of relevant laws and regulations. Party B may not make any illegal change to the subject, load bearing structure, pipeline, etc of the Leased Property. If Party A suffers any economic losses or is punished by the administrative department due to the illegal decoration or renovation of the Leased Property by Party B, Party B shall report the relevant governmental department according to the regulations and shall report to Party A, and shall assume the legal and economic compensation responsibilities.

7. Party B shall effectively communicate with Party A in advance in respect of any decoration or renovation of the Leased Property, and may commence the construction after the decoration or renovation feasibility has been confirmed. Party A permits Party B to make decoration or renovation to the Leased Property, and give support subject to the provisions of the relevant laws and regulations.

8. Within the lease term, any use, decoration or repair of the Leased Property by Party B may not impact the normal working of other users. If Party B's such acts bring losses to any other user, Party B shall assume the liability for compensation to such other user.

9. When Party A intends to sell the Leased Property and ancillary facilities and equipment, it shall notify Party B in advance. Under the equal conditions, Party B shall enjoy the right of preemption. If Party B fails to give a written reply within fifteen days after the receipt of the notice from Party A, Party B will be deemed to waive the right of preemption. Within the lease term, if Party A needs to sell, mortgage or donate the Leased Property and its ancillary equipment and facilities to other person for a special cause, it needs not to obtain the consent from Party B. At the request of Party A, Party B shall actively cooperate with Party A in handling the procedures of sales, mortgage, donation, etc of the Leased Property. However, Party A shall guarantee that the transferee of the Leased Property shall continue performing this Contract, and that such sales, mortgage or donation of Party A will not prejudice the operation of Party B; otherwise Party A shall assume the liability for breach as specified in this Contract.

Article VI Take-back and Acceptance of Leased Property

1. Upon the expiration of the lease term, Party A has the right to take back the Leased Property in whole and Party B shall return it as scheduled. If Party B desires to renew the lease, it shall inform Party A in writing of its intention within two months prior to the expiration of the lease term, and the Parties shall sign a new lease contract. If Party A and Party B fail to reach a renewal agreement, this Contract shall be automatically terminated as from the expiry date of the lease term. At the time of return, the Leased Property and its facilities and equipment shall be kept in good and tidy state, and shall be inspected and accepted by Party A. If Party B fails to clean up garbage at the time of return, Party B shall assume the expenses as incurred by Party A for the purpose of cleaning up such garbage and other relevant expenses.

2. If this Contract is terminated for other cause (including the default of Party A or Party B, etc), Party B shall return the Leased Property as specified in the foregoing paragraph on the date of termination of the Leased Property.

3. If Party B fails to move its things out of the Leased Property within three days after the termination of this Contract, Party B will be deemed to waive the ownership of such things, and Party A has the right to dispose of such things, and the consequences arising therefrom shall be assumed by Party B.

4. Upon the expiration of the lease term, Party B shall enjoy the priority of renewal under the equal conditions.

Article VII Dissolution and Termination of the Contract

1. Within the lease term, in case of any of the following events of Party A, Party B has the right to unilaterally dissolve this Contract without the liability for breach:

- (1) Party A fails to deliver the Leased Property for 10 or more days of delay due to Party B's cause or force majeure;
- (2) Party A fails to perform the duties as specified herein.

2. Within the lease term, in case of any of the following events of Party B, Party A has the right to unilaterally dissolve this Contract without the liability for breach:

- (1) Party B damages the Leased Property, and fails to repair it within the reasonable period as required by Party A;
- (2) Party B changes the purpose of the leased property as specified herein without Party A's written consent;
- (3) Party B stores dangerous articles or conducts illegal activities by the use of the Leased Property;
- (4) Party B fails to pay rental for more than 7 days of delay;
- (5) Party B fails to perform the duties as specified herein.

Article VIII Liabilities for Breach

1. In case of any of the events as described in Clause 1, 2 of Article VIII hereof, the non-breaching party has the right to dissolve this Contract, and the breaching party shall pay 2 months' rental to the non-breaching party as penalty.

2. Within the lease term, if either party early dissolves this Contract through no breach of the other party, the dissolving party shall pay 2 months' rental the non-breaching party as penalty (such penalty may not be deducted with deposit).

3. If Party B fails to pay any rental as scheduled, it shall pay a penalty to Party A at the rate of 0.1% of the rental that is late per day of delay and corresponding house rental.

4. If Party B delays in paying the property management fee and/or water and/or electricity charges, it shall be implemented according to the management regulations of the property management company of the building.

Article IX Disclaimer

1. If the performance of this Contract cannot be continued due to the removal or renovation of the Leased Property as required by the government, this Contract shall be early termination, and neither party shall be held responsible for any losses as suffered by the other party therefore.

2. If this Contract is early terminated for the cause as described in Clause 1 of this article, the rental shall be calculated according to the actual time of lease; the period of less than one month is calculated by the number of days, balance being refunded to either party as the case may be.

Article X Miscellaneous

1. For any matter not covered herein, the Parties shall jointly sign supplementary clauses through negotiation; supplementary clauses, appendixes and this Contract shall bear the same legal force.

2. Any dispute arising from the performance of this Contract shall be settled by the Parties through negotiation; in case negotiation fails, the Parties unanimously agree that either party hereto may lodge a suit to the people's court of the place where the Leased Property is located.

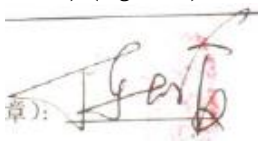
3. This Contract shall become effective upon being signed and sealed by the Parties. This Contract is made in two originals, one for each party hereto.

Supplementary Agreement:

Appendix

1. Party A has paid the property management fee of the Leased Property (10 Yuan/m²/month) to June 30, 2019; through negotiation, Party B shall pay the property management fee of such period and the rental of the Leased Property to the bank account number as specified herein by month.

Party A (Signature and Seal): (Signature)



(Agent): _____
Tel: _____

Party B (Signature and Seal):



(Agent): _____
Tel: _____

Time of Signing: July 20, 2018

Special Contract Seal of China Liberal (Beijing) Education Technology Co., Ltd. (Seal)

House Lease Contract

Lessor: Shandong Jinwu Furi Cultural Media Co., Ltd. (Hereinafter referred to as Party A)

Lessee: China Liberal (Beijing) Education Technology Co., Ltd. (Hereinafter referred to as Party B)

Party A and Party B have entered into the following agreement in respect of house lease:

1. Party A leases the house located at Room 1008, Block A, World Trade International Plaza, Lixia District, Jinan, Shandong to Party B for the purpose of office. House area: 106.85 m²; lease term shall be from August 1, 2018 to January 31, 2019. If, prior to December 31, 2018, Party B needs to renew the lease by a notice to Party A, Party A agrees that the period of validity of this Contract should be extended for 6 months (to July 31, 2019) provided that other provisions hereof shall be unchanged.

2. The monthly rental of the house shall be tax-inclusive price RMB 11,000 (in words: RMB eleven thousand). The house rental shall be RMB 66,000 in total (in words: RMB sixty six thousand). The deposit shall be one month's rental, namely RMB 11,000 (in words: RMB eleven thousand). The sum of the aforesaid two items shall be RMB 77,000 (in words: RMB seventy seven thousand). Party B shall, within 3 working days after the signing of this Contract, pay the house rental and deposit to Party A, namely RMB 77,000 (in words: RMB seventy seven thousand). If Party B needs to renew the lease, the rental of renewal period shall be paid prior to January 31, 2019. The deposit shall be refunded to Party B on the date when Party B returns the house to Party A.

3. Within the lease term, Party B shall pay the water charges, electricity charges, phone bills, property management fee and other expenses arising from the lease. Party B shall settle up any arrears at the end of the lease term. Party B shall directly pay the property management fee to the property management company. Party A shall cooperate with Party B in obtaining property management fee invoice from the property management company. If Party B cannot obtain the property management fee invoice due to Party A's cause, the property management fee shall be paid by Party A.

4. Except that the expenses as specified in the foregoing Article 2 and 3 shall be assumed by Party B, all other expenses shall be paid by Party A, including but not limited to land use fee, overhaul costs, etc of the house.

5. If, within the lease term, Party B needs to dissolve Shandong Branch due to operation cause, Party B may dissolve this Contract by a one month's prior notice to Party A; in addition, Party B shall pay one month's rental to Party A as penalty, and the remaining of the house rental shall be refunded to Party B on the date when Party B returns the house. If Party A requires terminating this Contract, it shall notify Party B one month in advance, and pay one month's rental to Party B as penalty and shall refund the remaining rental and deposit.

6. Within the lease term, without Party A's consent, Party B may not sublease or lend the house, nor change the structure or purpose of the house. Party B shall compensate for the damage of the house and/or its ancillary facilities due to the artificial cause of Party B.

7. Party A guarantees that the house shall have no dispute of title and that Party A has the right to lease the house to Party B. If necessary for operation, Party B may require Party A to provide the house ownership certificate or other relevant certificate, and Party A shall give assistance.

8. Any dispute arising from this Contract shall be settled by the Parties through negotiation. In case negotiation fails, either party hereto has the right to lodge a suit to the competent people's court of the place where the plaintiff is located for judicial resolution.

9. Party B may not conduct any illegal activities in the house, and shall attaché much importance to the safety of the house and Party B's own property and personnel; otherwise Party B shall assume the responsibilities arising therefrom. Party A will not assume any legal or civil responsibilities.

10. Party A shall, within 10 days after the receipt of the payment from Party B, issue VAT invoice to Party B with the item house rental.

11. This Contract is made in two originals of the same legal force, one for each party hereto. This Contract shall become effective upon being signed and sealed by the Parties.

Party A: Shandong Jinwu Furi Cultural Media Co., Ltd.

Representative:

Date:

Special Contract Seal of Shandong Jinwu Furi Cultural Media Co., Ltd. (Seal)

山东金武扶日文化传媒有限公司



Party B: China Liberal (Beijing) Education Technology Co., Ltd.

Representative:

Date:

Special Contract Seal of China Liberal (Beijing) Education Technology Co., Ltd. (Seal)

华夏博雅(北京)



Appendix:

Party A's account information:

Account Name: Shandong Jinwu Furi Cultural Media Co., Ltd.

Opening Bank: Ping An Bank Jinan Jingshi Road Sub-branch

Account No.:

Party B's billing information:

Name: China Liberal (Beijing) Education Technology Co., Ltd.

Taxpayer ID:

Address and Tel: Room A-1301, Floor 2, Building 3, 30# Courtyard, Shixing Street, Shijingshan District, Beijing Municipality 010-65978118

Opening Bank and Account No.: Bank of Communications Beijing Haidian Sub-branch 110060576018150110518

**Part I Membership Details****Information of Subject**

Information of Member

| | |
|---|--|
| Member Company/Your Party (Legal Registered Name) | China Liberal (Beijing) Education Technology Co., Ltd. |
| Manager's Name | Hu Jinhang |
| Tel and Email | |
| Postal Address | |
| Bill Contact | |
| Tel and Email | |
| Postal Address | |
| Date of Signing | November 26, 2018 |

Special Contract Seal of Huaxia Boya (Beijing) Education Technology Co., Ltd. (Seal)



Information of KrSpace Service Subject

| | |
|-------------------|--|
| Company Name | Beijing Zhumengcheng Information Technology Co., Ltd. |
| Community Name | Guomao Daduhui Community |
| Account Name | Beijing Zhumengcheng Information Technology Co., Ltd. |
| Account No. | |
| Opening Bank | China Merchants Bank Co., Ltd. Beijing Jianguomen Sub-branch |
| Community Manager | |
| Email | |
| Postal Address | Floor 5, No. A10, East 3 rd Ring Middle Road, Chaoyang District, Beijing Municipality |

Special Contract Seal of Beijing Zhumengcheng Information Technology Co., Ltd. (Seal)



Service Information

Information of Service Fee

| | |
|-----------------------------------|---|
| Service Period | From January 1 to December 31, 2019 |
| Service Bond | ¥24,276.00 RMB twenty four thousand two hundred and seventy six exactly |
| Total Service Fee (including tax) | ¥145,656.00 RMB one hundred and forty five thousand six hundred and fifty six exactly |

Payment Information

| | |
|---|--|
| Payment Cycle (excluding initial payment) | Monthly Payment |
| Amount of Initial Payment | ¥36,414.00 RMB thirty six thousand four hundred and fourteen exactly |
| Date of Initial Payment | December 15, 2018 |

Supplementary Information

Broker's Full Name

Monthly Service Fee

| Office space | Standard Monthly Fee | Discount | Signatory Monthly Fee |
|--------------|---------------------------|----------|---------------------------|
| 508 | 14,280.00 Yuan/month/room | 15% off | 12,138.00 Yuan/month/room |

Details of Total Service Fee

Independent Office 508 Total: ¥145,656.00

| Service Period | Service Fee | Unit Price | Quantity | Subtotal |
|-------------------------------------|-----------------------------------|---------------------------|--------------------|-------------|
| From January 1 to December 31, 2019 | Whole month, calculating by month | 12,138.00 Yuan/month/room | 12 months * 1 room | ¥145,656.00 |

- Daily unit price = signatory monthly fee/number of days of calendar month (round up to 2 decimal places).
- Service fee of office space = daily unit price * number of days (number of days of calendar month) + signatory monthly fee * number of months (number of whole months).
- Total service fee = sum of service fees of all office spaces.
- For the purpose of this Agreement, "day" refers to calendar day; "month" refers to calendar month.

Payment Information

| Installment | Fee | Duration of Fee | Payment Due Date | Amount |
|------------------------------|-------------|-------------------------------------|--------------------|------------|
| Initial Installment | Bond | From January 1 to December 31, 2019 | December 15, 2018 | ¥24,276.00 |
| | Service Fee | From January 1 to 31, 2019 | December 15, 2018 | ¥12,138.00 |
| 2 nd Installment | Service Fee | From February 1 to 28, 2019 | January 15, 2019 | ¥12,138.00 |
| 3 rd Installment | Service Fee | From March 1 to 31, 2019 | February 15, 2019 | ¥12,138.00 |
| 4 th Installment | Service Fee | From April 1 to 30, 2019 | March 15, 2019 | ¥12,138.00 |
| 5 th Installment | Service Fee | From May 1 to 31, 2019 | April 15, 2019 | ¥12,138.00 |
| 6 th Installment | Service Fee | From June 1 to 30, 2019 | May 15, 2019 | ¥12,138.00 |
| 7 th Installment | Service Fee | From July 1 to 31, 2019 | June 15, 2019 | ¥12,138.00 |
| 8 th Installment | Service Fee | From August 1 to 31, 2019 | July 15, 2019 | ¥12,138.00 |
| 9 th Installment | Service Fee | From September 1 to 30, 2019 | August 15, 2019 | ¥12,138.00 |
| 10 th Installment | Service Fee | From October 1 to 31, 2019 | September 15, 2019 | ¥12,138.00 |
| 11 th Installment | Service Fee | From November 1 to 30, 2019 | October 15, 2019 | ¥12,138.00 |
| 12 th Installment | Service Fee | From December 1 to 31, 2019 | November 15, 2019 | ¥12,138.00 |

- Initial installment of service fee of membership refers to:
 - If the starting day of service period is the first day of a calendar month, initial installment of service fee of membership = signatory monthly fee / * number of months (as determined according to payment cycle)
 - If the starting day of service period is any day other than the first day of a calendar month, initial installment of service fee of membership = number of days from the starting date of initial service to the ending date of current calendar month * daily unit price + signatory monthly fee * number of months (as determined according to payment cycle).



Part II Terms and Conditions

1. Definitions

- 1.1 “Authorized Representative” refers to the individual who has obtained the relevant authority from Your Party and whose acts are legally binding upon Your Party.
- 1.2 “Site Capacity” refers to the value as specified in “Site Capacity” of Membership Details.
- 1.3 “Member Company”, “Member” or “Your Party” refers to the company, entity or individual specified in Membership Details who signs a membership agreement with KrSpace.
- 1.4 “Office Space” refers to the office room and/work area as specified in Membership Details.
- 1.5 “Office Building” refers to the whole building or a part thereof where KrSpace provides or intends to provide office, workstation, other work area and/or other services to members.
- 1.6 “Manager” refers to the principal who communicates and contacts with KrSpace on behalf of the Member.
- 1.7 “KrSpace Member Network” refers to KrSpace member exclusive online community which can be visited through internet or KrSpace mobile APP.
- 1.8 Registered Address Bond: if Your Party uses registered address with the written consent of KrSpace, Your Party shall pay registered address bond.

2. Member’s Rights and Obligations

- 2.1 Service. Provided that the Member complies with and performs the terms and conditions of this Agreement (including any appendix, hereinafter collectively referred to as “Agreement”) and any other management regulations as established and amended by KrSpace, KrSpace shall provide the following services (hereinafter collectively referred to as “Service”) to the Member within the Period (defined as below).
- 2.1.1 The right of access to the Office Space.
- 2.1.2 Regular maintenance service of Office Space.
- 2.1.3 Furniture in Office Space.
- 2.1.4 The right to visit and use KrSpace member network site according to the latest service terms of KrSpace official website.
- 2.1.5 The right to visit and use shared internet according to the relevant latest rules of KrSpace official website.
- 2.1.6 The right to use the printer, copier and/or scanning machine as provided by the Office Building to members.
- 2.1.7 The right to use conference room. Such use is subject to advance reservation and availability.
- 2.1.8 The right to use the heating and air-conditioning of Office Space.
- 2.1.9 The right to use electricity for the purpose of reasonable and acceptable administrative office. If Your Party uses the electricity for the purpose of non-administrative office with the consent of KrSpace, KrSpace will charge additional expenses from Your Party.
- 2.1.10 The right to use the water bar in the space and the drinks as provided in the water bar.
- 2.1.11 The right to participate in or enjoy the activity, treatment and sales promotion that are exclusive for members.
- 2.2 Specific Service. The conference room of any KrSpace place other than Your Party’s Office Space and the heating and air-conditioning of the Office Space may be only available during the normal business time (defined as below) of normal working days. “Normal Business Time” refers to 09:00 am to 18:00 pm of normal working days. “Normal Working Day” refers to Monday to Friday, except national holidays.

2.3 KrSpace reserves the following rights.

2.3.1 For the purpose of providing the Service, repairing and maintaining or treating safety or urgent affairs, etc, KrSpace has the right to enter the Office Space of Your Party with or without prior notice.

KrSpace will notify Your Party orally, through website announcement or by Email in advance as soon as possible, and shall take reasonable security measures to keep the materials of Your Party confidential as much as possible. KrSpace may temporarily move the furniture of Your Party in the Office Space.

KrSpace reserves the right to change the Office Space of Your Party, provided that KrSpace shall provide a new office space with the area and conditions that are similar to those of the Office Space.

KrSpace may also reasonably change or adjust the items of Service or furniture as provided to the Office Space of Your Party at any time. The Service hereunder may be provided by KrSpace, affiliate or third party.

2.3.2 Your Party has been informed that the Office Space as specified herein is in progress. The number/name of office space as specified in Membership Details of Part I of this Agreement are only for reference, and may not be taken as the basis of final entry/delivery. KrSpace has the right to unilaterally or adjust the number/name of the Office Space, and notify Your Party after such adjustment. At the time of actual delivery, the number/name as notified by KrSpace by mail/written letter shall prevail; however, KrSpace shall undertake that the adjustment of the number/name of the Office Space shall not impact the number of workplaces or other conditions of the Office Space as originally agreed.

2.4 Dissolution by the Member. If KrSpace fails to deliver the Office Space or the Office Space delivered by KrSpace cannot meet the normal office purpose and still fails to provide the office space in conformity with the normal office purpose within 20 working days after the receipt of the written notice from Your Party (including providing the office space of similar conditions in the same community, or KrSpace's affiliated company providing the office space of similar conditions, etc), Your Party has the right to unilaterally dissolve this Agreement, and KrSpace shall refund the service deposit and the member service fee that has been paid but not happened to Your Party.

3. Your Party's Members

3.1 Updating list of members. Only the personnel included in the list of members are deemed as "members" and have the right to enjoy the treatments as described in this Agreement. Your Party's members may use, visit and/or enjoy the Service as from the following date whichever is the later: (i) starting date, or (ii) the date when KrSpace adds relevant personnel to the list of members. Your Party shall be responsible for the accuracy of the list of members. Your Party's Manager may update the list of members of Your Party through "Member Management" tool of KrSpace member network. If Your Party needs to add new members that exceed the number of members as specified in Membership Details to the list of members of Your Party, Your Party's Manager shall use the manager email as registered to KrSpace to send an email to the email address as specified at the bottom of the Membership Details. The change request email shall set forth the name and email of replaced old members and those of new members as well as the effective date of change. If the number of the members or other personnel who often use the Office Space of Your Party exceeds the Site Capacity, Your Party shall pay the additional expenses that are prevailing at that time, see the rules of KrSpace official website for details. After having added any personnel to the list of members, KrSpace will create a file for such member in KrSpace member database; such file shall only set forth the name, telephone number and member company of such member; other information (including photo) may be added by Your Party or such member of its own accord only. KrSpace, KrSpace staff and agent and other members may inquire such file.

3.2 Member manager. The Manager is the Member's appointed contact. Any commitment or act made by the member manager shall be deemed as those of relevant member, including altering or terminating this Agreement. Member Company may cancel any act as made by the Manager, provided that KrSpace receives the written notice (which shall be stamped with company seal and signed by legal representative) from the company within 24 hours after the Manager has made such act. The Member needs to provide certificate of legal representative and other reasonable information according to the requirements of KrSpace. The Member may change its Manager by a written notice (which shall be stamped with company seal and signed by legal representative) to us at any time. If the person who is appointed as the Manager does not serve the Member Company or use the Office Space any longer, the Member shall notify KrSpace to appoint a new manager prior to the occurrence of the aforesaid event.

3.3 Authorized signatory. At the signing stage of this Agreement, Your Party must issue a letter of authorization to the person who signs this Agreement, and the acts of such person shall be legally binding upon Your Party.

4. Membership Service Fee; Payment

4.1 Payment. At the time of delivering this Agreement that has been signed and sealed, Your Party shall pay the amounts as specified in Membership Details to KrSpace: service bond and initial service fee.

4.2 Membership service fee. The service fee as specified in Membership Details only includes the service fee of the number of members of Your Party as specified in Membership Details. If Your Party adds members, additional expenses shall be paid, see KrSpace official website for details (krspace.cn).

4.3 Invoice and financial information. After the receipt of the payment from Your Party, KrSpace shall provide invoice and other account related documents, information and notice to the Manager, unless Membership Details specify other person as bill contact. If Your Party needs to change bill contact, the Member shall issue a notice as specified in this Agreement.

4.4 Excessive Expenses. Your Party will obtain a certain quota of right to use the conference room, copier and printer every month, which is detailed at krspace.cn. Such right shall used in current month, and may not be deferred to next month. If Your Party overuses such right, Your Party shall pay excessive expenses. See krspace.cn for current excessive rates. KrSpace may increase each excessive rate from time to time.

4.5 Late fee. If Your Party fails to pay member service fee or any expenses that have occurred but not paid yet prior to the payment due date, Your Party shall pay late fee at the rate of 0.3% of the amount that is late per day of delay.

4.6 Payment method. KrSpace only accepts the payment method that is notified to Your Party from time to time during the signing of this Agreement or within this service period. In case of any change of the payment information of Your Party, KrSpace shall be timely notified. Within any fixed time, Your Party shall only use one method to pay the amounts hereunder.

4.7 Unpaid amount. Any overdue expenses will be collected according to actual arrears. After the receipt of the payment from Your Party, KrSpace will use such payment to firstly discharge the arrears and then discharge current expenses. After all arrears have been discharged, the balance will be used to pay current expenses. If Your Party still fails to pay arrears within the time limit as specified by KrSpace after the receipt of the reminder notice from KrSpace, KrSpace may suspend service or terminate this Agreement according to the provisions of Article 5.5 hereof in its sole discretion.

5. Period and Termination

5.1 Period

5.1.1 Service period. This Agreement shall become effective upon being signed and sealed by the Parties (“Effective Date”), provided that KrSpace has no obligation to provide the Service to Your Party prior to the following date whichever is the later: (i) the date when KrSpace has received the service bond and initial member service fee from Your Party, or (ii) starting date.

5.1.2 Entry period. Your Party has the right to move into the Office Space within the fixed time as from the starting date of the service period (generally from 9:00 am to 18:00 pm from Monday to Friday, except the leave in lieu on statutory holidays); if the property management company of the place where the Office Space has special provisions, such provisions shall prevail. If Your Party has special demand, Your Party shall negotiate with the property management company in advance.

5.2 Your Party may cancel this Agreement prior to the starting date of the service period (excluding the starting date). Your Party may cancel this Agreement prior to the starting date by a notice to KrSpace; however, the service bond that has collected by KrSpace will not be refunded. If KrSpace has received member service fee from Your Party, KrSpace shall refund such member service fee within ten working days after the receipt of the notice of cancellation from Your Party.

5.3 Within the service period of this Agreement, Your Party may not early terminate this Agreement; otherwise KrSpace will not refund the expenses that have been paid by Your Party, and will reserve the right to fully recover member service fee in respect of the remaining service period.

5.4 Renewal.

5.4.1 If Your Party confirms that Your Party will not renew this Agreement upon the expiration of the service period, Your Party shall send a 60 days' prior written notice to KrSpace prior to the expiration of the service period, stating that Your Party will move out upon the expiration of the service period. If Your Party fails to early notify KrSpace in writing as specified in foregoing sentence, this Agreement will be automatically renewed by month upon the expiration of the service period hereunder. Within the subsequent renewal period, the free service period, discount and preferential policies enjoyed within the period of validity of the original agreement shall not be effective any more; in addition, the Parties shall continue performing the relevant provisions of this Agreement.

5.4.2 If Your Party confirms that Your Party will not renew this Agreement any more, KrSpace will, within 60 days prior to the expiration of the service period, visit the Office Space with potential intentional customer within the reasonable time by a prior notice to Your Party.

5.5 KrSpace terminates or suspends the performance of this Agreement.

5.5.1 In case of any of the following events, KrSpace may suspend the Service or immediately terminate this Agreement by a notice to Your Party according to the provisions of Article 9.8 of this Agreement: (i) Your Party breach this Agreement (the act of any member of Your Party will be deemed as that of Your Party); (ii) the rights of KrSpace in respect of the space are terminated or expire, or material loss happens to the house; (iii) Your Party still fails to pay any amount that has become due and payable within the fixed time after the receipt of the reminder notice from KrSpace; (iv) Your Party (the act of any member of Your Party will be deemed as that of Your Party) fails to comply with the terms and conditions of this Agreement, KrSpace member network service terms, KrSpace wireless network service terms, or any other policies or instructions as provided by our company or applicable to Your Party. Even this Agreement is terminated or expires, Your Party shall assume the amount that is overdue and payable, and KrSpace may still exercise the right to collect such amount.

In case of any of the following events, whichever is the earlier: (x) this Agreement is terminated or expires; (y) Your Party remove such member from the list of members, or (z) KrSpace notifies Your Party that such member materially or repeatedly breaches this Agreement, such member will not be permitted to visit the Service nor authorized to enter the Office Space any longer.

5.5.2 KrSpace has the right to early terminate this Agreement and take back the Office Space. If KrSpace early takes back the Office Space or early terminates this Agreement, it shall send at least thirty (30) days' notice to Your Party. Your Party shall move out according to the time as notified; KrSpace shall refund the service bond and the service fee that has been paid but not occurred.

5.6 Service bond

5.6.1 Service bond is used to guarantee that Your Party will perform all obligations under this Agreement, but is not used as provision to offset any payables. If Your Party fail to pay other expenses to our party as scheduled, Your Party may not deduct such expenses from the service bond, but shall otherwise pay such expenses.

5.6.2 Within thirty (30) days as from (i) the expiry date or normal termination date of this Agreement, and (ii) the date when Your Party provides account information to our party, whichever is the later, our party will refund the balance of the service bond to Your Party, provided that the following conditions are all satisfied: a. Your Party has cleaned up your own things and returned the Office Space; b. Your Party has settled up all amounts payable; c. Your Party has moved out or cancelled (if any) registered address; d. there is no pending dispute or controversy. If the bond is insufficient to offset the unsettled expenses or compensate for the actual losses of KrSpace, KrSpace has the right to recover the insufficiency from Your Party.

5.7 Removal of properties. Your Party shall, prior to the termination or expiration of this Agreement, remove the properties of Your Party, Your Party's members, Your Party's visitors or the visitors of Your Party's members from the Office Space and place. KrSpace has the right to dispose of any properties that are left in the Office Space or place after the termination or expiration of this Agreement by a notice to Your Party, and has no obligation to store such properties. Your Party shall waive the right to raise any claim or demand in respect of such properties or the disposal of such properties by KrSpace. Your Party shall pay any expenses as reasonably incurred by KrSpace for the purpose of removing and disposing of the aforesaid properties. After the termination or expiration of this Agreement, KrSpace will not pass on or keep any letter or package to or for Your Party.

5.8 Cancellation of registered address

5.8.1 Without the prior written consent of KrSpace, Your Party may not take the address provided by KrSpace as the registered address of Your Party.

5.8.2 If Your Party takes the address provided by KrSpace as the registered address of Your Party with the written consent of KrSpace, Your Party shall, within 30 days prior to the termination or expiration of this Agreement, handle the procedures of cancellation before the local competent authority (including local administration for industry and commerce), and shall provide the original business license after such change to KrSpace for examination and verification.

5.8.3 If Your Party fails to provide the changed business license after as the evidence of change/cancellation of registered address within 30 days prior to the termination or expiration of this Agreement, (1) KrSpace will not refund the bond (including service bond and registration bond) that has been paid by Your Party; and (2) Your Party agree to pay the penalty at the following percentage of member service fee per calendar month of delay (the period of less than one calendar month will be calculated as one calendar month); 50% in the first whole calendar month (the period of less than one calendar month will be calculated as one calendar month); 100% in the second calendar month; 150% in the third calendar month and afterwards; and KrSpace has the right to deduct from the service bond as having been paid by Your Party or otherwise collect from Your Party. If the measures as described in foregoing (1) and (2) are insufficient to make up the losses as suffered by KrSpace therefore, KrSpace has the right to further recover the insufficiency from Your Party. In addition, KrSpace has the right to report to the administrative authority of the registered address.

5.8.4 Your Party shall conduct operating activities and pay taxes according to the laws and regulations; otherwise KrSpace has the right to early dissolve this Agreement and take back the Office Space; the bond that has been paid by Your Party (including service bond and registration bond) will not be refunded. If the bond (including service bond and registration bond) is insufficient to make up the actual losses as suffered by KrSpace, KrSpace has the right to further recover the insufficiency from Your Party.

6. Room Use Rules

6.1 In addition to the rules, policies and/or procedures applicable to the Office Space used by Your Party, Your Party acknowledge and agrees that:

6.1.1 The key and access card, etc that are used to actually visit the place or Office Space shall always be the properties of KrSpace. Your Party shall cause the members of Your Party to take good care of the properties of KrSpace. The replacements costs arising from the loss, theft or damage of such properties shall be assumed by Your Party;

6.1.2 In case of any change of the contact method or payment information of Your Party, KrSpace shall be immediately notified;

6.1.3 In case of any change of the Service or fee of KrSpace or any update of other information, KrSpace will send email to the email address as provided by Your Party or notify Your Party in writing. Your Party shall check such email/letter and ensure that Your Party's members will be informed of relevant change;

6.1.4 The cart, wagon and other handling tolls provided to Your Party may not be used in passenger elevator, unless being approved by KrSpace in its sole discretion;

6.1.5 Any and all members of Your Party shall be 18 or more years old;

6.1.6 Your Party shall fully ensure that in the Office Space and office building: a. member or visitor who has not reached the legal age for drinking may not drink wine; b. any and all members and visitors of Your Party may not smoke.

6.1.7 Except as otherwise instructed by KrSpace, public space shall be jointly enjoyed by all member companies, members and visitors of KrSpace, and may be used for temporary office purpose only, and may not be used for consecutive daily work purpose;

6.1.8 Before Your Party hold any activity in the place, Your Party shall send a reasonable notice to KrSpace and handle all necessary procedures;

6.1.9 Your Party shall be liable for any damage of the Office Space of Your Party other than normal wear;

6.1.10 Without the prior written approval of KrSpace, Your Party may neither make any structural or non-structural reform to the Office Space, nor install any wall attachment, furniture or antenna in the Office Space. If Your Party breaches this provision, Your Party shall restore to the original state within the time limit as notified by our party in writing; otherwise KrSpace has the right to terminate this Agreement, take back the bond and further recover the losses as suffered by our party therefore.

6.1.11 The computer, tablet computer, mobile devices and other electronic equipment of Your Party and your members shall: (i) be updated to the newest version; and (ii) may not contain any malicious software, virus, spy software, worm, Trojan or any program aiming to implement any malicious, hostile and/or intrusion operation. KrSpace has the right to remove any equipment that threaten KrSpace network or users from KrSpace network, until such threat has been eliminated;

6.1.12 Your Party agree that KrSpace exclusively and irrevocably use the name and/or logo of Your Party: a. in the "Member" display column, video and other promotional materials of KrSpace official website to the social public; b. in the information as disclosed according to the requirements of the office building owner or property management company, so as indicate Your Party as the member of KrSpace. Your Party guarantees that your logo may not infringe any third party right and Your Party has full obligation to provide such consent (if necessary).

6.1.13 Your Party shall ensure that all of your members will comply with all room use rules.

6.2 Any member may not:

6.2.1 Conduct or permit to conduct any activity that is reasonably expected to cause any destructive or dangerous effect upon KrSpace, any other member company, any employee, visitor or properties (including but not limited to the Office Space) of KrSpace or any other member company;

6.2.2 Conduct or carry out any illegal or offensive activity by the use of the service, place or Office Space or in the community;

6.2.3 Provide any false identity information;

6.2.4 Extract, reproduce or use any information or intellectual property right of other member company or other member or visitor, including but not limited to any confidential or proprietary information, name, portrait, voice, commercial name, trademark, service mark, logo, trade dress, other marks, other intellectual property right or its modification or change version. This provision shall survive any termination of this Agreement;

6.2.5 Without the prior consent of KrSpace, extract, reproduce or use "KrSpace" or any other commercial name, trademark, service mark, logo, trade dress, other marks, other intellectual property right of KrSpace or its modification or change version for any purpose, or photograph, reproduce or use any photo or picture of any part of the place for any purpose. This provision shall survive any termination of this Agreement;

6.2.6 Use the Office Space for the purpose of "retail", "medical", "education", "training" or other frequent visiting by the public;

6.2.7 Reproduce any key, access card or other entrance equipment of the Office Space or place, or lend, share or transfer any key or access card to or with any third party, unless being previously authorized by KrSpace;

6.2.8 Install any lock in any area of the Office Space or place, unless being previously authorized by KrSpace;

6.2.9 Permit any visitor to enter the building, provided that such visitor has been registered and completed any other procedures as required by KrSpace policies;

6.2.10 Take any weapons or any other aggressive, dangerous, flammable or explosive materials to the Office Space.

7. Miscellaneous

7.1 Information technology. KrSpace does not make any representation or warranty in respect of the security of KrSpace network. When Your Party uses KrSpace network, KrSpace cannot guarantee the specific available degree. At the time of using printer, Your Party shall install appropriate printer device driver on the computer of Your Party. In addition, Your Party may require KrSpace to resolve the problems about print, internet access or otherwise. When KrSpace provides such service, it will not be liable for any damage of the equipment of Your Party, provided that KrSpace has no negligence. KrSpace provide shared network to members through cable or wireless network access. If any member desires to install private cable network, with the approval of KrSpace IT, KrSpace permits Your Party to install firewall device for exclusive visit and use, and Your Party shall be liable to remove such installation. Prior to any such installation or removal, Your Party shall cooperate with KrSpace IT team, and discuss the actual setup, appropriate time, way and method of such installation or removal as well as the additional expenses that may arise therefrom. If KrSpace incurs relevant expenses due to such installation or removal and Your Party does not otherwise pay them, KrSpace shall deduct such expenses from the service prepayment. Your Party shall also assume the relevant monthly expenses arising from the cable network as privately installed by Your Party.

7.2 Limitation of Liability. Your Party shall fully treat and resolve any property dispute, personal damage, work-related accident, etc as suffered by Your Party or other party in KrSpace through no fault of KrSpace, and KrSpace shall not assume any liabilities arising therefrom. Your Party shall keep all your properties in KrSpace, and shall assume all liabilities arising from the theft or loss, etc of any things. KrSpace may cooperate with investigation, such as providing video monitoring.

7.3 Indemnification. Your Party shall indemnify KrSpace in respect of any and all claims (including third party claim), liability and expenses (including reasonable attorney's fee) arising from the breach of this Agreement due to Your Party or your members, any visitor or invitee of Your Party or your member, or the act or omission of Your Party or aforesaid person. Your Party shall be liable for any act of inviting any person to the place by Your Party or your members, any visitor or invitee of Your Party or your member, as well as any damage arising therefrom. Without the written consent of KrSpace, Your Party may not make any compromise or permission that requires KrSpace to make any material adverse act, nor make any reimbursement or compromise that imposes any obligation upon KrSpace. KrSpace shall not be liable for any reimbursement or compromise as made without the prior written consent of KrSpace.

7.4 Insurance.

7.4.1 KrSpace reminds Your Party that Your Party shall purchase and maintain property insurance (basic insurance, comprehensive insurance and all risks are optional), employer liability insurance and public liability insurance for Your Party and your members in the form and amount as appropriate for your business, at your expense within the membership period. The insurance coverage must cover any property loss, damage or injury that may be suffered by any member of Your Party or his/her visitor due to the failure or refuse to use or enter all or a part of space of the place.

7.4.2 KrSpace does not compulsorily require Your Party to purchase insurance. However, if Your Party purchase insurance: (i) Your Party shall ensure that all such insurance policies take the KrSpace space used by Your Party as insurance subject matter; (ii) Your Party shall ensure that property insurance and public liability insurance policies take KrSpace as the joint beneficiary. Your Party shall waive the right of subrogation that Your Party may enjoy against KrSpace and space owners; (iii) if Your Party purchase employer liability insurance, Your Party shall exempt all tort liabilities arising from the fault of KrSpace.

7.5 Other member. KrSpace has no right to control the act of other member company, member or any other third party, and shall not be liable for any of their act. In case of any dispute between member company, member or invitee or visitor, KrSpace shall not be liable or obligated to get involved in or mediate such dispute or make any compensation to any party.

7.6 Privacy. According to the privacy policies on krspac.cn and all applicable data protection laws, KrSpace collects, treats, transmits and protects the personal data of Your Party and your members. Please note that unless otherwise stated in this Agreement, Your Party has no obligation to provide personal information to KrSpace, and that any information collected by KrSpace is provided by Your Party voluntarily and is expressly authorized by Your Party through signing this Agreement. Your Party hereby undertake (i) to inform any new or prevailing members of the provisions of this provision and privacy policies; (ii) if necessary, to obtain the consent of such member to collect, treat, transmit and protect data according to the provisions of this Agreement; and (iii) to actually collect and treat the personal data of such member according to the applicable laws.

7.7 Force majeure.

7.7.1 Force majeure refers to the objective circumstance that is unforeseeable, unavoidable and insuperable, including but not limited to change of national policy, war, earthquake, typhoon, flood, fire, terrorism, other social abnormal event (such as strike, riot), etc.

7.7.2 The impacted party shall notify the other party of the force majeure within 3 working days after the occurrence of such event, and provide the effective evidence in respect of the occurrence of such event within 14 working days after the occurrence thereof. If the performance of this Agreement cannot be continued or it is meaningless to perform this Agreement due to force majeure, either party hereto may dissolve this Agreement without any liability for breach.

8. Action and Abandoning Representative Action

8.1 Governing Law. This Agreement and the transaction as contemplated hereunder shall be governed by and construed according to the laws of the People's Republic of China (for the purpose of this Agreement, excluding Taiwan, Hong Kong and Macau), without giving effect to any conflict of laws principles nor *United Nations Convention on Contracts for the International Sale of Goods*.

8.2 Venue. Except that either party hereto seeks for temporary, preservation or similar remedy from any competent court, any dispute, controversy or claim arising from or in connection with this Agreement or the breach, termination or invalidity hereof, or as raised according to common law shall be settled by the Parties through friendly negotiation; in case negotiation fails, such dispute, controversy or claim shall be finally submitted to the People's Court of Chaoyang District, Beijing Municipality (also referred to as "Chaoyang Court") for trial.

9. Supplementary Provisions

9.1 Nature of this Agreement; mutual relationship. The Office Space shall be the properties of KrSpace and owned and controlled by KrSpace in whole. KrSpace grants Your Party the right to jointly use the Office Space with KrSpace, so that KrSpace provides the Service to Your Party. Notwithstanding any provision to the contrary in this Agreement, the Parties agree that the relationship between the Parties is not the owner-tenant or lessor-lessee relationship in conventional meaning. This Agreement may not be construed as granting any title, easement, lien, right of possession or other relevant right to Your Party or any member in respect of KrSpace business, place, office space or any things in or on the place or office space. This Agreement shall not create leasehold interest, interest in leased real estate right or interest in other real estate. The Parties shall perform their respective obligations hereunder as independent contractor. This Agreement shall not be deemed to create any trust, agency, partnership or joint venture relationship for any purpose. Either party hereto may not make any untrue representation in any form in respect of mutual relationship.

9.2 Modification of this Agreement. The modification of member service fee and excessive expenses shall be applicable to the provisions of Article 4.2 and Article 4.4. KrSpace will amend other provisions of this Agreement from time to time, and will notify Your Party by the way including but not limited to written form, APP push, email address as specified herein. After KrSpace has notified such amendment for 7 calendar days, Your Party will be deemed to accept the new provisions of this Agreement. If Your Party continues using the Office Space or the Service after the aforesaid period, Your Party will be deemed to accept such new provisions.

9.3 Waiver. Any act or omission of either party hereto may not be deemed as the waiver of the right or remedy of such party hereunder, except that the waiving party signs and confirms the waiver in writing.

9.4 Subordination. This Agreement is subordinate and subject to the lease agreement as signed by KrSpace and owner in respect of the space, any supplementary document, and any other agreement that is binding on such lease agreement. However, the foregoing provision shall not imply any sublease or other similar relationship of any interest in real estate.

9.5 Special event. If KrSpace delays or fails to perform this Agreement due to any event or circumstance beyond the reasonable control of KrSpace, including but not limited to: (i) any delay or change of the construction of place, or the ability of KrSpace to obtain any space of the place is impacted; and (ii) any delay or non-performance results from the circumstance within the control of the owner of relevant place of KrSpace, KrSpace shall not assume any liability, and may not be deemed as non-performing or breaching this Agreement.

9.6 Severability. All management conventions of KrSpace official website (krspace.cn) and members shall form an integral part of this Agreement, and the Parties must comply with them. KrSpace reserves the right to modify the management conventions if necessary. If any provision of this Agreement is held invalid or unenforceable by the competent court, only such provision shall be deemed invalid or unenforceable within such jurisdiction, and the remaining provisions of this Agreement shall remain in full force and effect.

9.7 Survival. Article 1, Article 2.3, Article 4 (if there is any amount unpaid), Article 5.3, Article 5.6, Article 5.7, Article 5.8, Article 6.2, Article 7.1 to 7.3, Article 8, Article 9 of this Agreement and all other provisions that are reasonably expected to remain in force after the termination or expiration of this Agreement shall survive any termination or expiration of this Agreement and remain in force.

9.8 Notice. Any notice hereunder shall be delivered by written letter, email address as specified herein, APP push, etc. If sent in written form, the notice will be deemed as served 48 hours after sending; if transmitted by email, APP push, etc, the notice will be deemed as served upon being sent. KrSpace may decide to take any way to send notice to the Manager in its sole discretion. Any notice relating to this Agreement shall be delivered by the Manager. If the contents of the notices sent by several managers of Your Party are contradictory, the contents of the notice as finally received by KrSpace shall prevail.

9.9 Headings; interpretation. The headings of this Agreement are inserted only for convenience, and may not interpret or explain any provision of this Agreement. "Including", "for example", "such as", etc as used in this Agreement shall be construed as being followed with "but not limited to". Any time of a day as mentioned herein refers to the time of the time zone where the Office Space is located.

9.10 No assignment. Unless Your Party or the parent company of Your Party makes consolidation by merger or new establishment, reorganization or sells all or materially all equity or assets, without the prior written consent of KrSpace, Your Party may not (including according to the legal requirements) transfer or otherwise assign any of your rights or obligations under this Agreement. KrSpace may transfer this Agreement without the consent of Your Party.

9.11 Anti-money laundering. Your Party hereby represent and warrant that Your Party and your members will always ethically conduct activities according to all laws, including but not limited to the laws against commercial bribery and money laundering ("Anti-money Laundering Law"); according to the provisions of Anti-money Laundering Law, any and all funds as paid by Your Party for the purpose of performing the duty of payment hereunder shall be lawful income. Your Party shall provide all information and documents as required by KrSpace from time to time in respect of compliance with Anti-money Laundering Law.

9.12 Anti-corruption law. Your Party, any member of Your Party, any director, officer, employee, agent, subcontractor, representative of Your Party, or any personnel acting on the behalf of Your Party, may not (i) directly or indirectly provide, pay, give, promise or grant any money, gift or any valuable things to : (A) any governmental officer or any business owner, (B) any person who knows or has reason to know that all or a part of such money, gift or valuable things will be directly or indirectly provided, paid or given to any governmental officer or any business owner, or (C) any employee or representative of KrSpace, for the purpose of: (1) impacting the act or decision of such governmental officer or business owner within their scope of power, (2) seducing such governmental officer or business owner to make any act violating the duties; (3) obtaining improper interest, or (4) ensuring the signing of this Agreement, (ii) directly or indirectly authorize or pay, donate, present or promise such payment or gift in respect of this Agreement, the Service or the Office Space. For the purpose of this article, "governmental officer" refers to any officer or employee of any governmental department or body or any person with official functions, including state-owned enterprise, state-controlled enterprise, public international organization, political party or political officer or candidate.

9.13 Broker. Your Party undertakes and warrants that if no broker is specified in this Agreement, Your Party will be deemed as not using (real estate) broker during the membership transaction hereunder. In case of any claim arising from such undertaking and warranty under this article, Your Party shall indemnify and hold KrSpace harmless from any losses.

9.14 Entire agreement. This Agreement (including Part I Membership Details, Part II Terms and Conditions and Part III Special Terms and Conditions) constitutes an entire agreement between the Parties in respect of the subject matter hereof. Unless the Parties sign a written document or otherwise permit, this Agreement may not be altered by any way. All previous agreements and understanding of the Parties in respect of the matters as set forth herein have been included in this Agreement.

9.15 Counterparts. This Agreement (including Part I Membership Details, Part II Terms and Conditions and Part III Special Terms and Conditions) are made in two originals of the same legal force, one for each party hereto.

9.16 Effectiveness.

9.16.1 This Agreement (including Part I Membership Details, Part II Terms and Conditions and Part III Special Terms and Conditions) shall become effective upon being signed and sealed by the Parties.

9.16.2 The Member or member company acknowledges or agrees that it shall provide the following certification materials to KrSpace within 5 working days after the signing of this Agreement: (1) member company shall provide two (2) copies of business license stamped with company seal; (2) individual shall provide two (2) copies of valid identity card or passport; besides, if such individual is the employee of the company or only works or serves the company, the copies of identity card/passport shall be stamped with company seal, whether such individual has formal labor relationship with the company or not.

9.16.3 Through signing this Agreement, Your Company state to KrSpace that the signatory/company signing this Agreement has proper authority to sign this Agreement and cause the obligations hereunder on behalf of the company as described in the foregoing.

Party III Special Terms and Conditions

1. Documents forming this Agreement and effectiveness

1.1 This Agreement consists of:

- (1) Part I Membership Details;
- (2) Part II Terms and Conditions;
- (3) Part III Special Terms and Conditions;

1.2 In case of any discrepancy between Part III Special Terms and Conditions and Part III Terms and Conditions, the former shall prevail.

2. The contents of Special Terms and Conditions are as follows:

2.1 Other provisions: N/A.
(No text below)



(No Text below)

Member's Signature:

Company Name:

Stamp (Special Contract Seal or Official Seal): Special Contract Seal of China Liberal (Beijing) Education Technology Co., Ltd. (Seal)

Legal Representative or Authorized Representative (Signature):



KrSpace's Signature:

KrSpace's Entity Name:

Stamp (Special Contract Seal or Official Seal): Special Contract Seal of Beijing Zhumengcheng Information Technology Co., Ltd. (Seal)

Legal Representative or Authorized Representative (Signature):



IEN Institute of Minjiang University

China Liberal (Beijing) Education Technology Co., Ltd.

Australian EAP English Course Teaching Service

Contract

China Liberal (Beijing) Education Technology Co., Ltd. (Paging Seal)

Australian EAP English Course Teaching Service Contract

Service Provider: China Liberal (Beijing) Education Technology Co., Ltd. (hereinafter referred to as Party A)

Service Receiver: IEN Institute of Minjiang University (hereinafter referred to as Party B)

Whereas Party A provides Australian EAP English course teaching design, teacher dispatch, mobile teaching and learning platform, PC lesson preparation platform and course implementation to the students of Grade 2016-2020 of Party B,

Now therefore, in the principles of equality and voluntariness, the Parties have entered into this Contract and shall jointly comply with this Contract.

Article I The teaching service as specified in this Contract refers to Party A providing Australian EAP English course to the students of Grade 2016-2020 of Sino-Australia College International Education Program of IEN Institute of Party B.

Article II Party A guarantees that it enjoys the lawful intellectual property right of Australian EAP English course teaching scheme as provided by it. In case of any third party dispute about the intellectual property right of this course teaching design, all liabilities arising therefrom shall be assumed by Party A.

Article III The Parties agree that the course hereunder should fully adopt Australian EAP English syllabus, and choose the teaching materials, matching mobile teaching and learning platform and PC lesson preparation platform that are suitable to the students of IEN Institute, and that the English course should be implemented according to the standard of 25-29 students each class and by the way of combining foreign and Chinese teachers.

Article IV Teaching Objective

According to the admission level of students and the number of English periods as provided, students can smoothly enter into the learning of special programs of Melbourne Polytechnic and strive to reach the level of IELTS 5.5 after the completion of such course hereunder.

Article V Party A's Main Duties

5.1 Party A shall choose teaching materials according to the English level of students and provide teaching syllabus to Party B.

5.2 Party A shall dispatch high quality English teachers to Party B as scheduled every year. The teachers as dispatched by Party A shall meet all of the following conditions:

5.2.1 Party A shall dispatch the foreign English teachers that meet the teaching requirements of Australian EAP English course for the students of Grade 2016-2020 of IEN Institute; teaching periods and class scale shall be specified as follows:

5.2.1.1 Providing about 756 periods of teaching to the students of each class of Grade 2016-2020 of IEN Institute in the first academic year.

- Foreign teachers shall assume about 432 periods/student/class
- Chinese teachers shall assume about 324 periods/student/class

Providing about 252 periods of teaching to the students of Grade 2016-2020 in the second academic year.

- Foreign teachers shall assume about 144 periods/student/class
- Chinese teachers shall assume about 108 periods/student/class

5.2.1.2 Number and scale of class

The Parties agree to allocate the number of classes and number of teachers subject to the standard of 25-29 students/class according to the reality.

5.2.2 Foreign teachers shall meet all of the following conditions:

- 5.2.2.1 Each teacher shall have the citizenship of English-speaking country;
- 5.2.2.2 Each teacher shall have undergraduate qualification at least;
- 5.2.2.3 Each teacher shall have more than two years' overseas English teaching experience;
- 5.2.2.4 Each teacher shall have TESOL English certificate.

5.2.3 Chinese teachers shall meet all of the following conditions:

- 5.2.3.1 Each teacher shall have the master's degree in English at least;
- 5.2.3.2 Each teacher shall have more than two years' English teaching experience.

5.3 In addition to necessary wages as provided to dispatched teachers and employees according to the laws and regulations of China, Party A shall provide necessary labor protection, injury and medical health insurance, living and lodging allowance, travelling costs, etc, and assume all employment risks of dispatched teachers and working personnel.

5.4 Party A shall appoint special personnel to coordinate the English teaching arrangement of each year with Party B.

5.5 Party A shall collect feedback from students in respect of the dispatched teachers and the teaching implementation quality of Australia EAP English course, and conduct appraisal and quality control to entrusted teaching quality, so as to ensure the quality of English teaching.

5.6 Party A shall provide necessary occupational development training to dispatched teachers.

5.7 Party A shall appoint special personnel to regularly communicate with Party B, assist in handling the visa, lodging arrangement, arrival reception, etc of foreign teachers.

5.8 Party A shall assume all expenses arising from the performance of this Contract by dispatched teachers and working personnel.

5.9 Party A shall be liable for the teaching management of all teachers.

5.10 Party A shall assist Melbourne Polytechnic in training teachers.

5.11 Party A shall provide mobile teaching and learning platform and PC lesson preparation platform according to the circumstances of Party B.

5.12 Party A shall regularly make on-the-spot investigation to the teachers and students of Party B, understand their actual demand and adjust the teaching and learning platform and PC lesson.

5.13 Party A shall provide the cloud space and server in conformity with teaching requirements, so as to ensure the smoothness of teaching platform.

5.14 Party A shall train teachers about how to use the teaching and learning platform and PC lesson preparation platform.

Article VI Party B's Main Duties

6.1 Party B shall provide necessary classroom, teaching equipment and teacher office conditions for English course teaching, including but not limited to:

- 6.1.1 The classroom with good lighting conditions and multimedia equipment that can play CD and DVD;
- 6.1.2 The teaching equipment and WIFI equipment that can meet the use of mobile teaching and learning platform;
- 6.1.3 Office special for teachers and relevant communication equipment.
- 6.1.4 The computer and printer for teachers;
- 6.1.5 The copier for teachers to copy materials.

6.2 Party B shall appoint special administrative personnel to assist Party A in providing the following services to dispatched teachers:

6.2.1 Work visa application of foreign teachers, but it does not change the labor relationship between foreign teachers and Party A;

6.2.2 Assisting Party A in arranging lodging for dispatched teachers;

6.2.3 Reception of the teachers dispatched by Party A upon arrival;

6.2.4 Party B shall provide relevant assistance to the teachers dispatched by Party A according to the implementation requirements of the course.

6.3 Party B shall provide necessary reception and assistance to Party A's teaching management personnel who go to IEN Institute for the purpose of coordinating the course and supervising teaching quality.

6.4 Party B shall assist Party A in regularly investigating students' opinions in respect of teaching contents, teaching effects and teachers' teaching circumstances, and timely make feedback to Party A.

6.5 Party B shall timely order and purchase the English teaching materials and documents as recommended by Party A.

6.6 Party B shall assist Party A in creating good English learning atmosphere and environment for the purpose of improving English teaching quality.

6.7 Party B shall assist in protecting the intellectual property rights as used by Party A at Party B's teaching place.

6.8 Party B shall dispatch the Chinese teachers in conformity with Party A's requirements.

6.9 Party B shall arrange teachers to uniformly use mobile teaching platform and PC lesson preparation platform.

Article VII Standards of Service Fee and Payment Method

In consideration of Australian EAP English course service as provided hereunder, including the specific intellectual property rights of such course, Party B shall pay the costs and expenses arising from the teaching of Party A.

Within the cooperation period, Party B is responsible to collect tuition from students. Party B shall collect the following expenses in the form of annual tuition payment within 2 weeks after the beginning of each academic year: the students of Grade 2016-2020 shall pay tuition to the bank account as appointed by Party A according to RMB 9000.00 (RMB nine thousand exactly) every student in the first academic year and RMB 3000.00 (RMB three thousand exactly) every student in the second academic year, so as to cover the teaching costs of Party A.

In respect of the professional title appraisal, social insurance, personnel archives management, etc of Chinese teachers, the personnel archives of Chinese teachers engaged by Party A shall be uniformly managed by Party B, and their wages and welfares shall be uniformly released by Party B. Party B will collect expenses from Party A according to RMB 65,000.00 (RMB sixty five thousand exactly) every Chinese teacher every year. The aforesaid expenses will be directly deducted when the Parties handle tuition settlement.

Article VIII Party A accepts the consideration as specified in Article VII hereof, and shall strictly perform the teaching obligations according to the course workload of each grade.

Article IX Miscellaneous

9.1 The period of validity of this Contract shall be eight years. If the Parties need to renew this Contract, they shall discuss the renewal half a year in advance, so that the Parties may make preparation early.

9.2 If, during the performance of this Contract, Party B's students or education administrative authority has major objection to the design, teaching quality and teachers' quality of Australian EAP English course as assumed by Party A, Party A shall adjust the course design or dispatched teachers in the principle of guaranteeing education and teaching. If Party A delays in taking remedial measures, Party B has the right to terminate this Contract.

9.3 For any matter not covered herein, the Parties shall other sign a supplementary agreement through negotiation. Such supplementary agreement and this Contract shall be equally authentic.

9.4 Any dispute arising from the performance of this Contract shall be settled by the Parties through negotiation in the principle of equal and practicability; in case negotiation fails, such dispute shall be submitted to the people's court of the place of performance of this Contract for trial.

9.5 This Contract is made in four originals, two for each party hereto. This Contract shall become effective upon being signed and sealed by the Parties.

The Parties hereto:

IEN Institute of Minjiang University

China Liberal (Beijing) Education Technology Co., Ltd.

Authorized Representative's Signature and Seal:

Authorized Representative's Signature and Seal: (Signature)



June 15, 2016

June 15, 2016

IEN Institute of Minjiang University (Seal)

China Liberal (Beijing) Education Technology Co., Ltd. (Seal)

Supplementary Agreement to Australian EAP English Course Teaching Service Contract

Party A: Fuzhou Melbourne Polytechnic

Party B: China Liberal (Beijing) Education Technology Co., Ltd.

Whereas:

(1) China Liberal (Beijing) Education Technology Co., Ltd. (Party B) and IEN Institute of Minjiang University have signed *Australian EAP English Course Teaching Service Contract* on June 15, 2016 (hereinafter referred to as "Original Contract");

(2) IEN Institute of Minjiang University has been renamed as Fuzhou Melbourne Polytechnic in 2017.

Now therefore, Party A and Party B have entered into the following agreement through negotiation in respect of Australian EAP English course teaching service, and shall jointly comply with this Agreement.

I. The renaming of IEN Institute of Minjiang University as Fuzhou Melbourne Polytechnic shall not impact the Original Contract, and Party A shall continue performing all contents of the Original Contract.

II. Party B shall continue performing all contents of the Original Contract to Party A according to the provisions of the Original Contract.

III. This Agreement is the supplementary agreement to the Original Contract and bears the same legal force as the Original Contract.

IV. This Agreement is made in four originals of the same legal force, two for each party hereto.

V. This Agreement shall become effective upon being sealed by the Parties. For any matter not covered herein, the Parties may sign a supplementary agreement; such supplementary agreement shall bear the same legal force.

Party A: Fuzhou Melbourne Polytechnic

(Seal)

Authorized Representative: Zhuo Meiyang (Signature)

Date: December 15, 2017

Fuzhou Melbourne Polytechnic (Seal)

福州墨尔本理工职业学院
(盖章)
代表: 卓梅映
2017年12月15日

Party B: China Liberal (Beijing) Education Technology Co., Ltd.

(Seal)

Authorized Representative: (Signature)

Date: December 15, 2017

Special Contract Seal of China Liberal (Beijing) Education Technology Co., Ltd. (Seal)

: 华夏博雅(北京)教育科
(盖章)
代表: 张
: 2017年12月15日

Straits Institute of Minjiang University

China Liberal (Beijing) Education Technology Co., Ltd.

Australian EAP English Course Teaching Service

Contract

China Liberal (Beijing) Education Technology Co., Ltd. (Paging Seal)

Australian EAP English Course Teaching Service Contract

Party A: China Liberal (Beijing) Education Technology Co., Ltd.

Party B: Straits Institute of Minjiang University

Whereas Party A provides Australian EAP English course teaching design, teacher dispatch, mobile teaching and learning platform, PC lesson preparation platform and course implementation to the students of Grade 2016-2020 of Party B,

Now therefore, in the principles of equality and voluntariness, the Parties have entered into this Contract and shall jointly comply with this Contract.

Article I The teaching service as specified in this Contract refers to Party A providing Australian EAP English course to the students of Grade 2016-2020 of Sino-Australia College International Education Program of Straits Institute of Party B.

Article II Party A guarantees that it enjoys the lawful intellectual property right of Australian EAP English course teaching scheme as provided by it. In case of any third party dispute about the intellectual property right of this course teaching design, all liabilities arising therefrom shall be assumed by Party A.

Article III The Parties agree that the course hereunder should fully adopt Australian EAP English syllabus, and choose the teaching materials, matching mobile teaching and learning platform and PC lesson preparation platform that are suitable to the students of Straits Institute, and that the English course should be implemented according to the standard of 25-29 students each class and by the way of combining foreign and Chinese teachers.

Article IV Teaching Objective
According to the admission level of students and the number of English periods as provided, general students can reach the level of CET-4, partial students can reach the level of CET-6 or equivalent IELTS 5.5-6.0.

Article V Party A's Main Duties

5.1 Party A shall choose teaching materials according to the English level of students and provide teaching syllabus to Party B.

5.2 Party A shall dispatch high quality English teachers to Party B as scheduled every year. The teachers as dispatched by Party A shall meet all of the following conditions:

5.2.1 Party A shall dispatch the foreign English teachers that meet the teaching requirements of Australian EAP English course for the students of Grade 2016-2020 of Straits Institute; teaching periods and class scale shall be specified as follows:

5.2.1.1 Providing about 360 periods of teaching to the students of business studies of each class of Grade 2016-2020 of Straits Institute in the first academic year.

- Foreign teachers shall assume about 120 periods/student/class, 60 periods in the first and second academic years respectively;
- Chinese teachers shall assume about 240 periods/student/class, 120 periods in the first and second academic years respectively;

5.2.1.2 Providing about 300 periods of teaching to the students of arts of each class of Grade 2016-2020 of Straits Institute in the first academic year.

- Foreign teachers shall assume about 60 periods/student/class, 60 periods in the first academic year;
- Chinese teachers shall assume about 240 periods/student/class, 120 periods in the first and second academic years respectively;

5.2.1.3 Number and scale of class

The Parties agree to allocate the number of classes and number of teachers subject to the standard of 25-29 students/class according to the reality.

5.2.2 Foreign teachers shall meet all of the following conditions:

5.2.2.1 Each teacher shall have the citizenship of English-speaking country;

5.2.2.2 Each teacher shall have undergraduate qualification at least;

5.2.2.3 Each teacher shall have more than two years' overseas English teaching experience;

5.2.2.4 Each teacher shall have TESOL English certificate.

5.2.3 Chinese teachers shall meet all of the following conditions:

5.2.3.1 Each teacher shall have the master's degree in English at least or have the professional title of lecturer;

5.2.3.2 Each teacher shall have more than two years' English teaching experience.

5.3 In addition to necessary wages as provided to dispatched teachers and employees according to the laws and regulations of China, Party A shall provide necessary labor protection, injury and medical health insurance, living and lodging allowance, travelling costs, etc, and assume all employment risks of dispatched teachers and working personnel.

5.4 Party A shall appoint special personnel to coordinate the English teaching arrangement of each year with Party B.

5.5 Party A shall collect feedback from students in respect of the dispatched teachers and the teaching implementation quality of Australia EAP English course, and conduct appraisal and quality control to entrusted teaching quality, so as to ensure the quality of English teaching.

5.6 Party A shall provide necessary occupational development training to dispatched teachers.

5.7 Party A shall appoint special personnel to regularly communicate with Party B, assist in handling the visa, lodging arrangement, arrival reception, etc of foreign teachers.

5.8 Party A shall assume all expenses arising from the performance of this Contract by dispatched teachers and working personnel.

5.9 Party A shall be liable for the teaching management of all teachers.

5.10 Party A shall provide mobile teaching and learning platform and PC lesson preparation platform according to the circumstances of Party B.

5.11 Party A shall regularly make on-the-spot investigation to the teachers and students of Party B, understand their actual demand and adjust the teaching and learning platform and PC lesson.

5.12 Party A shall provide the cloud space and server in conformity with teaching requirements, so as to ensure the smoothness of teaching platform.

5.13 Party A shall train teachers about how to use the teaching and learning platform and PC lesson preparation platform.

Article VI Party B's Main Duties

6.1 Party B shall provide necessary classroom, teaching equipment and teacher office conditions for English course teaching, including but not limited to:

- 6.1.1 The classroom with good lighting conditions and multimedia equipment that can play CD and DVD;
- 6.1.2 The teaching equipment and WIFI equipment that can meet the use of mobile teaching and learning platform;
- 6.1.3 Office special for teachers and relevant communication equipment.
- 6.1.4 The computer and printer for teachers;
- 6.1.5 The copier for teachers to copy materials.

6.2 Party B shall appoint special administrative personnel to assist Party A in providing the following services to dispatched teachers:

- 6.2.1 Work visa application of foreign teachers, but it does not change the labor relationship between foreign teachers and Party A;
- 6.2.2 Assisting Party A in arranging lodging for dispatched teachers;
- 6.2.3 Reception of the teachers dispatched by Party A upon arrival;
- 6.2.4 Party B shall provide relevant assistance to the teachers dispatched by Party A according to the implementation requirements of the course.

6.3 Party B shall provide necessary reception and assistance to Party A's teaching management personnel who go to Straits Institute for the purpose of coordinating the course and supervising teaching quality.

6.4 Party B shall assist Party A in regularly investigating students' opinions in respect of teaching contents, teaching effects and teachers' teaching circumstances, and timely make feedback to Party A.

6.5 Party B shall timely order and purchase the English teaching materials and documents as recommended by Party A.

6.6 Party B shall assist Party A in creating good English learning atmosphere and environment for the purpose of improving English teaching quality.

6.7 Party B shall assist in protecting the intellectual property rights as used by Party A at Party B's teaching place.

6.8 Party B shall arrange teachers to uniformly use mobile teaching platform and PC lesson preparation platform.

Article VII Standards of Service Fee and Payment Method

In consideration of Australian EAP English course service as provided hereunder, including the specific intellectual property rights of such course, Party B shall pay the costs and expenses arising from the teaching of Party A.

Within the cooperation period, Party B is responsible to collect tuition from students. Party B shall collect the following expenses in the form of annual tuition payment within 2 weeks after the beginning of each academic year: the students of business studies shall pay tuition to the bank account as appointed by Party A according to RMB 4500.00 (RMB four thousand and five hundred exactly) every student each year; and the students of arts shall pay tuition to the bank account as appointed by Party A according to RMB 2250.00 (RMB two thousand two hundred and fifty exactly) every student each year, so as to cover the teaching costs of Party A.

In respect of the professional title appraisal, social insurance, personnel archives management, etc of Chinese teachers, the personnel archives of Chinese teachers engaged by Party A shall be uniformly managed by Party B, and their wages and welfares shall be uniformly released by Party B. Party B will collect expenses from Party A according to RMB 80,000.00 (RMB eighty thousand exactly) every Chinese teacher every year. The aforesaid expenses will be directly deducted when the Parties handle tuition settlement.

Article VIII Party A accepts the consideration as specified in Article VII hereof, and shall strictly perform the teaching obligations according to the course workload of each grade.

Article IX Miscellaneous

9.1 The period of validity of this Contract shall be eight years. If the Parties need to renew this Contract, they shall discuss the renewal half a year in advance, so that the Parties may make preparation early.

9.2 If, during the performance of this Contract, Party B's students or education administrative authority has major objection to the design, teaching quality and teachers' quality of Australian EAP English course as assumed by Party A, Party A shall adjust the course design or dispatched teachers in the principle of guaranteeing education and teaching. If Party A delays in taking remedial measures, Party B has the right to terminate this Contract.

9.3 For any matter not covered herein, the Parties shall other sign a supplementary agreement through negotiation. Such supplementary agreement and this Contract shall be equally authentic.

9.4 Any dispute arising from the performance of this Contract shall be settled by the Parties through negotiation in the principle of equal and practicability; in case negotiation fails, such dispute shall be submitted to the people's court of the place of performance of this Contract for trial.

9.5 This Contract is made in four originals, two for each party hereto. This Contract shall become effective upon being signed and sealed by the Parties.

The Parties hereto:

Straits Institute of Minjiang University

China Liberal (Beijing) Education Technology Co., Ltd.

Authorized Representative's Signature and Seal:

Authorized Representative's Signature and Seal:



June 15, 2016

June 15, 2016

Straits Institute of Minjiang University (Seal)

China Liberal (Beijing) Education Technology Co., Ltd. (Seal)

**Undergraduate International General Education Courses of Chinese
Service Center for Scholarly Exchange of the Ministry of Education
Cooperation Agreement**

This Agreement is signed by the following two parties in Fuzhou in July 2013:

Party A: IEN Institute of Minjiang University
Address: No. 1, Wenxian Road, College Town, Fuzhou, Fujian Province

Party B: China Liberal (Beijing) Education Technology Co., Ltd.
Address: Room 1206, Business Building, Jinguang Center, Hujialou, Chaoyang District, Beijing Municipality

In order to give full play to the schooling advantages of the Parties, effectively integrating social resources and actively promoting the internationally advanced teaching mode and experience, Party A and Party B have entered into the following agreement through friendly negotiation in respect of jointly undertaking Undergraduate International General Education Courses of Chinese Service Center for Scholarly Exchange of the Ministry of Education (International General Education Courses, hereinafter referred to as "IGEC"):

I. Contents of Project

IGEC Project adopts innovative talent cultivation mode and targets the students of domestic colleges and universities who are included in the undergraduate recruitment plan of regular institutes of higher education. IGEC Project adopts not only domestic normal four-year length of schooling but also the mode of two learning stages at home and abroad. Thereinto, domestic stage shall be no less than two years. At the domestic stage, students intensify English and learn IGEC courses. The students who meet conditions will go to study in the credit exchange colleges and universities in North America, Europe, etc through credit transfer in the third or fourth year, and may be awarded the bachelor's degree of foreign colleges and universities as accredited by the Ministry of Education of China and the undergraduate diploma and bachelor's degree of domestic colleges and universities after graduation. The students who do not study abroad will continue learning international courses in domestic colleges and universities, and will be awarded the undergraduate diploma and bachelor's degree of domestic colleges and universities after graduation.

Party B shall introduce IGEC Project for Party A, and Party A is the organizer of IGEC Project. Party B shall assume a part of schooling liabilities and duties according to the needs of Party A, such as assisting in declaration, organizing team, promotion and recruitment, education teaching organization, providing foreign teachers for a part of courses, arranging students to dock with foreign colleges and universities, ensuring that the schooling task of the Project will be completed with high quality, etc.

II. Scope of Cooperation

1. Party A shall be the schooling subject of IGEC Project. Party B shall coordinate with Chinese Service Center for Scholarly Exchange and introduce (International General Education Courses for Party A.
2. Party A and Party B shall jointly set up project management body in the place where Party A is located (Sino-America Project Center of IEN Institute of Minjiang University) and establish management framework, so as to conduct macro management and control to IGEC Project. Party A shall act as project director, and Party B shall appoint a person to act as deputy director. Party B shall pay the wages and welfares, etc of such deputy director. Party A shall provide corresponding schooling and office places and equipment for the management personnel and foreign teachers as dispatched by Party B.
3. Party A shall provide corresponding help to the project personnel and foreign teachers as dispatched by Party B, such as picking up at the airport, providing necessary office supplies, handing expert certificate, temporary residence permit and residence permit, assisting foreign teachers in receiving physical examination, renting house and handling insurances, etc.
4. Party B shall assist Party A in project declaration, project recruitment and project management, provide the foreign teachers of 14 courses of ISEC Project, and assist in arranging students to dock with foreign colleges and universities, etc.
5. Party B shall assist Party A in conducting international education exchange and cooperation by the use of its resources and advantages, so as to improve the influence of schooling.
6. Party A and Party B agree that each major of the Project shall recruit no less than 100 students. The Parties shall ensure the quality of schooling. Without mutual consent, neither party may unilaterally modify schooling scheme.

III. Party A's Liabilities and Rights

1. Party A shall apply to Chinese Service Center for Scholarly Exchange of the Ministry of Education for opening IGEC Project as required, and cooperate with the comprehensive appraisal of Chinese Service Center for Scholarly Exchange of the Ministry of Education. Upon the approval of Chinese Service Center for Scholarly Exchange of the Ministry of Education, Party A shall sign cooperation agreement with Chinese Service Center for Scholarly Exchange of the Ministry of Education and Party B, and obtain the examination and approval letter of Chinese Service Center for Scholarly Exchange of the Ministry of Education agreeing that Party A should open IGEC Project.
2. After Party A has obtained the examination and approval letter from Chinese Service Center for Scholarly Exchange of the Ministry of Education, the Parties shall jointly establish schooling scheme, apply to local education department for opening IGEC Project and obtain the approval from local education department. The recruitment time, majors and plans shall be determined by the Parties through negotiation according to the reality; afterwards, the Parties may properly increase or decrease majors and plans according to the circumstances of schooling each year.
3. After having obtained approval from local education department, Party A shall submit the tuition charging application of IGEC Project to local pricing department for approval.

4. At the time of offering the Project, Party A shall set the schooling place at Party A's HQ. The college shall ensure that the student of the Project will study at HQ and enjoy the same treatment as other students not under the Project.
5. Party A shall assume the teaching and management work of the students of the Project in the first two years (or three years) of undergraduate stage and the students who will not study abroad in the final two years (or one year) of undergraduate stage and relevant costs (however, the dispatch and management of foreign teachers and relevant expenses shall be implemented according to the provisions of "Clause 3 of IV. Party B's Liabilities and Rights" of this Agreement). Party A shall provide qualified bilingual teachers to the Project. In principle, Party A may choose from the teachers of the college or local place, and report to Chinese Service Center for Scholarly Exchange of the Ministry of Education for filing, and shall participate in corresponding training and assume corresponding travelling and accommodation costs according to the requirements of Chinese Service Center for Scholarly Exchange of the Ministry of Education. Party A shall handle Chinese work visa for the foreign teachers as dispatched by Party B for the Project under the assistance of Party B.
6. Party A is mainly responsible for the recruitment work of the Project, release the recruitment brochure and information of the Project on the college's website, participate in recruitment consultative conference, release recruitment advertisement, etc, and assume the costs of recruitment publicity.
7. Party A shall implement the management and daily teaching of the students of the Project. Party A shall teach courses according to the requirements of International General Education Courses syllabus as provided by Chinese Service Center for Scholarly Exchange of the Ministry of Education, set up internal review system in respect of teaching quality, and shall according to the relevant requirements, regularly accept the on-the-spot teaching quality examination and review as made by the review team appointed by Academic Board of IGEC Project. Review costs shall be assumed by Party A, mainly including travelling costs, accommodation, review costs, etc (however, travelling costs, accommodation, review costs, etc shall be used in the principle of saving).
8. Party A shall ensure that the students of the Project timely complete electronic registration in Chinese Service Center for Scholarly Exchange of the Ministry of Education after admission, and shall actively cooperate with Chinese Service Center for Scholarly Exchange of the Ministry of Education in collecting and managing the academic records of students.

IV. Party B's Liabilities and Rights

1. Party B shall assist the communication between Party A and Chinese Service Center for Scholarly Exchange of the Ministry of Education, and sort out and coordinate the relations between the parties. Party B shall assist Party A in obtaining the formal reply from Chinese Service Center for Scholarly Exchange of the Ministry of Education in respect of the Project hereunder, and cause Chinese Service Center for Scholarly Exchange of the Ministry of Education to sign cooperation agreement with Party A in respect of jointly opening IGEC Project. Party B shall guarantee the validity and feasibility of IGEC Project as instructed to Party A. At the request of Party A, Party B shall assist Party A in obtaining the approval or permit of local education department and pricing department about IGEC Project by the use of its resources and advantages.

2. Party B shall communicate with American colleges and universities about introducing courses from American colleges and universities and pay introduction costs to American party. Party B shall provide all application materials for the examination and approval of American party and relevant work. Party A shall provide necessary assistance. Party B shall coordinate the teaching quality review (external review) of American party once a term, and Party A shall actively organize external review.
3. Party B shall appoint special personnel to act as the deputy director of the Project and jointly management IGEC Project with Party A, and shall assume the relevant expenses of such personnel.
4. Party B shall dispatch the foreign teachers who are competent for the courses of the Project to teach 4 general education courses and 4 specialized courses to the students of IGEC Project in Party A. The teaching qualification of foreign teachers shall conform to the teachers' requirements of the education department and Oriental International. Party B shall manage the foreign teachers as dispatched for the Project, and shall assume corresponding wage, allowance, class remuneration, travelling subsidy, lodging costs, physical examination costs, visa costs and insurance premium.
5. According to the requirements of IGEC Project, and in order to ensure that students have the ability to learn IGEC courses, Party B shall design English intensive courses for the students of the Project according to the needs of the Project, provide full set of syllabus and teaching materials of English (including IELTS) teaching to Party A, and assist in organizing and training English teacher team. Such English intensive courses will be jointly taught by Chinese and foreign teachers in the form of small class teaching. Thereinto, Party B shall provide the foreign teachers of 6 English courses in the first two years, including *College Academic English Writing 1* (general education course as required by IGEC Project), *English Phonetics*, *Spoken English 1*, *Spoken English 2*, *Spoken English 3*, *Spoken English 4*. Party B shall pay the relevant expenses of foreign teachers (including wage, allowance, class remuneration, travelling subsidy, lodging costs, physical examination costs, visa costs and insurance premium).
6. Party B shall provide training and consulting support to the Project in terms of project promotion, recruitment publicity, etc.
7. Party B shall assist Party A in guaranteeing the stability of teaching team. Either party hereto may advise adjusting the members of teaching team, provided that the normal teaching of the Project may not be impacted. The Parties shall regularly supervise the work of project teachers and management personnel, and may adjust unqualified teachers or working personnel according to assessment results; however, the Parties must fully recognize that the adjustment of teaching team may cause adverse impact.
8. Party B shall develop the overseas cooperation college resources and project, and introduce and provide other high quality educational resources or project to Party A, actively arrange Party A to reach closer cooperation relationship with the colleges and universities of America and Britain, such as friendship university, and facilitate the further exchange and cooperation of two parties in the fields of credit transfer, teaching and scientific research.
9. With the permission of Chinese Service Center for Scholarly Exchange, Party B shall actively assist Chinese Service Center for Scholarly Exchange in providing, or directly provide, overseas study services to the students of IGEC Project of Party A, such as overseas study consulting, promotion planning, foreign college admission application, filling guidance, visa coaching, summer camp, etc.
10. In order to facilitate international and school-school educational exchange, Party B shall invite 2 to 3 personnel of the Project to participate in exchange or short-term training in foreign cooperation colleges and universities each year, and Party B shall assume the transportation costs, accommodation costs and insurance premium.

11. Party B shall jointly research and develop the specialized courses of the Project with American cooperation colleges and universities and domestic well-known universities, and Party B shall assume the expenses arising therefrom.
12. Party B shall be liable for the transfer of the students of the Project who get more than 60 scores in domestic courses and 60 credits as specified by the admission requirements of American colleges and universities in terms of language results (namely the credit transfer of 2 years' courses of American colleges and universities, and guarantee that at least 5 American colleges and universities (equivalent to the level of the American colleges and universities as provided by Chinese Service Center for Scholarly Exchange) can transfer 2 years' credits of bachelor's degree programs, and handle the procedures of studying in America for the students with good economic conditions. If any student cannot reach the admission requirements of American colleges and universities in terms of language results, Party B shall assist such student in learning language courses.
13. Party B shall ensure that the students of the Project can receive the pre-admission notice from American colleges and universities while learning the Project.
14. The overseas study procedures of the students of the Project shall be handled according to the relevant regulations of China and America about overseas study. Party B shall be the exclusive partner providing agency services to the students of the Project who will study in America. Party B or its subordinate company shall have *Qualification Certificate of Intermediary Institution of Self-funded Overseas Study* as issued by the Ministry of Education of China. Party A may not develop similar overseas study intermediary business with any intermediary institution other than Party B without permission; otherwise Party A shall assume the liabilities for breach and compensate for all economic losses as suffered by Party B therefore.
15. Party B shall apply to Chinese Service Center for Scholarly Exchange for handling certification for the students of the Project who have obtained the certificate of bachelor's degree from American colleges and universities. The certification of degrees of American colleges and universities shall conform to the relevant requirements of foreign qualification and degree certification of the Ministry of Education.

V. Expenses

- 1 The domestic length of schooling of the students of the Project is four years, and the tuition is determined by the Parties through negotiation (it is suggested that the standard should be no less than 20,000 Yuan/person/year) and is reported to the pricing department for examination and approval. Within the period of validity of this Agreement as from the year of recruitment, the Parties shall negotiate whether to adjust the tuition standards and determine the range of adjustment according to the reality every year. Party A will collect tuition from students.
- 2 Party A shall pay project service and management fee to Party B by academic year. The fee shall be paid prior to November 30 each year. In the first two years of undergraduate stage (freshman and sophomore), the charging standard shall be 35% of the tuition of the Project, calculation method: number of all registered students of current year (subject to being calculated on November 15 of current year) * tuition standard of the Project * 35%; in the final two years of undergraduate stage (junior and senior), the charging standard shall be 40% of the tuition of the Project, calculation method: number of all registered students of current year (subject to being calculated on November 15 of current year) * tuition standard of the Project * 40%, namely the project service and management fee payable to Party B. Party B shall issue corresponding lawful invoice to Party A.

- 3 The personnel and wage relations of all teachers and management personnel as dispatched by Party B shall be filed in Party B. Party A shall provide necessary work assistance. If Party B assists the teacher as recommended by Party A, the employment relationship of such teacher shall be filed in Party A, and Party A shall pay the wage to such teacher.
- 4 The Project shall uniformly use the Chinese and English teaching materials and ancillary materials as appointed by Chinese Service Center for Scholarly Exchange. The costs of teaching materials shall be paid by students according to the actual quantity of use.

VI. Confidentiality

The Parties undertake to keep all confidential materials and information under the cooperation project confidential. Neither party hereto may use the confidential materials and/or information of this Project for any purpose unrelated to the Project. As from the effective date of this Agreement, this duty of confidentiality shall remain in force for one year after the termination of this Agreement.

VII. Liabilities for Breach

1. If either party or the Parties fail to perform or do not fully perform the obligations hereunder, it shall constitute a default. In case of any breach, the breaching party shall, according to the relevant laws and regulations and the provisions of this Agreement, assume the liabilities for breach and compensate for the actual losses and other losses as suffered by the other party.
2. If the performance of this Agreement cannot be continued due to force majeure, the Parties may be exempted from liabilities in whole or in part according to the impact of the force majeure. If either party cannot perform this Agreement due to force majeure, it shall immediately notify the other party, and try its best to minimize the possible losses as sustained by the other party, and shall timely provide a proof to the other party.
3. The force majeure mentioned in this article refers to the objective circumstance that is unforeseeable, avoidable and insuperable.
4. Party A undertakes that Party B is the exclusive partner of the Project; otherwise Party A shall assume the liabilities for breach and all economic losses as suffered by Party B therefore.

VIII. Dispute Resolution, Alteration and Dissolution of the Agreement

1. Any dispute arising from the performance of this Agreement shall be settled by the Parties through friendly negotiation. In case negotiation fails, either party has the right to lodge a suit. The Agreement shall be governed by the competent people's court of the place where the plaintiff is located.
2. If Party A fails to pay the profit sharing of the Project to Party B as scheduled and still fails to do so after the receipt of the written notice from Party B, Party B has the right to terminate this Agreement. In such case, Party A shall assume the liabilities for breach, and assume all bad consequences and economic losses arising therefrom.

3. Prior to the graduation of the students as recruited by Party A for the Project, neither party may stop cooperation without good cause (any breach of either party shall be lawfully implemented according to the foregoing paragraph).
4. If either party or both parties require early terminating this Agreement midway with good cause and basis, the Parties shall resolve through friendly negotiation and sign a termination agreement.

IX. Effectiveness of this Agreement

1. This Agreement shall become effective upon being signed and sealed by the representatives of the Parties. The period of validity of this Agreement is ten years. This Agreement is made in four originals of the same legal force, two for each party hereto. Neither party hereto may unilaterally modify the provisions of this Agreement. Any matter not covered herein may be otherwise supplemented.
2. If Party A and Chinese Service Center for Scholarly Exchange continue the cooperation of the Project after the expiration of this Agreement, this Agreement will be naturally renewed.

Party A: IEN Institute of Minjiang University

Party B: China Liberal (Beijing) Education Technology Co., Ltd.



：闽江学院爱恩国际：
人签章：卓松贵



博雅(北京)教育科技发展
章：陈书

Representative's Signature and Seal: (Signature)

Representative's Signature and Seal: (Signature)

July 8, 2013

July 8, 2013

IEN Institute of Minjiang University (Seal)

China Liberal (Beijing) Education Technology Co., Ltd. (Seal)

**Supplementary Agreement to Cooperation Agreement of
Undergraduate International General Education Courses of Chinese
Service Center for Scholarly Exchange of the Ministry of Education**

Party A: IEN Institute of Minjiang University

Address: No. 1, Wenxian Road, College Town, Fuzhou, Fujian Province

Party B: China Liberal (Beijing) Education Technology Co., Ltd.

Address: Room 1206, Business Building, Jinguang Center, Hujialou, Chaoyang District, Beijing Municipality

Party A and Party B have signed *Cooperation Agreement of Undergraduate International General Education Courses of Chinese Service Center for Scholarly Exchange of the Ministry of Education* on July 8, 2013. According to *Contract Law of the People's Republic of China* and other relevant laws and administrative regulations, and based on the principles of voluntariness, equality, good faith and mutual benefits, Party A and Party B have entered into the following supplementary agreement through friendly negotiation:

I. Party B shall deliver the mobile teaching and learning platform and PC lesson preparation platform as independently researched and developed by Party B and the ancillary teaching contents as completed according to the on-the-spot investigation and actual demand statistics about teachers and students to Party A on October 1, 2015.

II. Party A shall provide the teaching equipment and WIFI equipment that meet the use of mobile teaching and learning platform.

III. This Agreement is the supplementary agreement to the original contract and bears the same legal force as the original contract.

IV. This Agreement is made in two originals of the same legal force, one for each party hereto.

V. This Agreement shall become effective upon being sealed by the Parties.

Party A: IEN Institute of Minjiang University

Date of Signing: May 21, 2015

IEN Institute of Minjiang University (Seal)



Party B: China Liberal (Beijing) Education Technology Co., Ltd.

Date of Signing: May 21, 2015

China Liberal (Beijing) Education Technology Co., Ltd. (Seal)



Agreement

Party A: Straits Institute of Minjiang University

Party B: China Liberal (Beijing) Education Technology Co., Ltd.

Whereas:

(1) Party B: China Liberal (Beijing) Education Technology Co., Ltd. (Party B) and IEN Institute of Minjiang University have signed *Cooperation Agreement of Undergraduate International General Education Courses of Chinese Service Center for Scholarly Exchange of the Ministry of Education* on July 8, 2013 and *Supplementary Agreement* to such cooperation agreement on May 21, 2015; such two agreements are collectively referred to as "Original Agreements";

(2) IEN Institute of Minjiang University will not continue undertaking Undergraduate International General Education Courses of Chinese Service Center for Scholarly Exchange of the Ministry of Education (hereinafter referred to as "IGEC") after having been renamed as Fuzhou Melbourne Polytechnic;

(3) With the consent of Minjiang University, IGEC Project will be continued by Straits Institute of Minjiang University (Party A);

Now therefore, Party A and Party B have entered into the following agreement through negotiation in respect of the cooperation of IGEC Project for joint compliance.

I. After Party A has undertaken IGEC Project, all rights and obligations of the Original Agreement shall remain unchanged, and Party A shall continue performing all contents of the Original Agreements in replace of IEN Institute of Minjiang University.

II. Party B shall continue performing all contents of the Original Agreements to Party A according to the provisions of the Original Agreements.

III. This Agreement is the supplementary agreement to the Original Agreements, and bears the same legal force as the Original Agreements.

IV. This Agreement is made in four originals of the same legal force, two for each party hereto.

V. This Agreement shall become effective upon being sealed by the Parties. For any matter not covered herein, the Parties may sign a supplementary agreement, and such supplementary agreement shall bear the same legal force.

Party A: Straits Institute of Minjiang University

(Seal)

Authorized Representative: _____

Date: November 16, 2017

Straits Institute of Minjiang University (Seal)

：闽江学院海峡学院
(盖章)
代表：_____
2017年11月16日

Party B: China Liberal (Beijing) Education Technology Co., Ltd.

(Seal)



Authorized Representative: _____

Date: November 16, 2017

Special Contract Seal of China Liberal (Beijing) Education Technology Co., Ltd. (Seal)

夏博雅(北京)教育科技
(盖章)

2017年11月16日

International Scholarly Exchange Curriculum(Undergraduate) Project of China Scholarship Council**Cooperation Agreement**

This agreement was signed in _____ by the following parties in December 2012.

Party A: Fujian University of Technology

Address: College Town of Fuzhou City, Fujian Province

Party B: China Liberal (Beijing) Education and Technology Development Co., Ltd.

Address: Room 1206, Business Building, Jinguang Center, Hujialou, Chaoyang District, Beijing

In order to give full play to the advantages of both sides, effectively integrate various social resources and actively promote international advanced teaching modes and experience, Party A and Party B, through friendly consultation, reached an agreement on co-sponsoring International Scholarly Exchange Curriculum (Undergraduate) (ISEC for short) project of China Scholarship Council (CSC) Oriental International Educational Exchange Center (hereinafter referred to as Oriental International):

I. Project content

The ISEC project adopts an innovative talent training mode and is open to students enrolled in undergraduate enrollment plan of domestic institutions of higher education. The normal domestic four-year schooling system can be adopted, and the domestic and foreign two-stage learning mode can also be adopted, among which the domestic learning period should not be less than two years. In the domestic stage, students can learn through the English enhancement and ISEC courses. Eligible students can transfer to the Exchange schools in North America and Europe through credit transfer in the third or fourth year. Graduates may receive bachelor's degree from foreign universities and undergraduate diploma and bachelor's degree from domestic universities, which are approved by the Ministry of Education of China.

Party B is responsible for introducing ISEC projects for Party A. Party A is the main body of ISEC projects. Party B undertakes part of school responsibilities and obligations according to Party A's requirements, such as assisting in application, building teams, promoting enrollment, organizing teaching, providing foreign teachers for some courses, and arranging students to dock with foreign universities, to complete the school-running tasks of the project with high quality.

II. Cooperation scope

1. Party A is the main body of ISEC project, and Party B is responsible for coordinating with Oriental International and introducing ISEC project for Party A.
2. Party A and Party B jointly set up a project management organization in the place where Party A is located in order to conduct macro-management and control of ISEC projects. The project director shall be held by Party A and the deputy director shall be appointed by Party B. Party B shall be responsible for the salary and welfare of the deputy director. Party A shall provide school and public places and equipment.

3. Party B shall assist Party A in project application, project enrollment and management, provide foreign teachers for more than 12 courses of each major (not less than one third of credits of English, general education and professional courses), and arrange students to dock with foreign institutions.
4. Party B makes use of its own resource superiority to assist Party A to carry out international educational exchanges and cooperation and enhance school influence.

III. Rights and Obligations of Party A

1. Party A applies to Oriental International for ISEC project as required, cooperates with Oriental International for comprehensive evaluation, signs cooperation agreement with Oriental International and Party B at the time of Oriental International approval, and obtains the approval letter from Oriental International to conduct ISEC project.
2. After Party A obtained the Oriental International Approval Letter, Party A and Party B jointly formulate the school-running plan, apply to the local education authorities to start the ISEC project, and obtain the approval of the local education authorities. The time, major and plan for enrollment shall be agreed upon by both parties according to the circumstances. In the future, enrollment major and plan may be increased or deleted appropriately according to the situation of school every year.
3. After obtaining the approval of the local education authority, Party A shall submit an application for fees of ISEC cooperative projects to the local price department and obtain the approval of the local price department.
4. When starting the cooperative project, the specific school location of Party A shall be set in the main campus of Party A, and the school shall ensure that the students of the project are treated equally with other non-project students in the main campus.
5. Party A shall pay the teaching and management costs and related costs of the first two years (or three years) undergraduate course for students in the project and the latter two years (or three years) of the undergraduate course for students who do not go abroad (provided that the selection, management and related expenses of foreign teachers shall be borne in accordance with the provisions of "Four Rights and Obligations of Party B3" regulations. Party A shall equip the project with qualified bilingual teachers, who can, in principle, be employed in the school or among local teachers, and report to Orient international for the record. Party A shall, as required by Orient international, participate in the corresponding training and bear the corresponding travel and accommodation expenses. With the assistance of Party B, Party A shall be responsible for the formalities such as working visa for foreign teachers appointed by Party B for this project, and provide accommodation for foreign teachers on campus (the accommodation regulations for foreign teachers are decided by Party A).
6. Party A shall be mainly responsible for the enrollment work of the project, and shall publish the enrollment guide information of the project on the college website, attend the enrollment consultation, advertise enrolment, etc., and bear the publicity expenses.

7. Party A shall be responsible for the management and daily teaching of the students of the project. Party A shall follow the syllabus requirements of ISEC provided by Oriental International in teaching process, establish an internal audit system for teaching quality , and accept on-site teaching quality inspection and assessment conducted regularly by the evaluation team, which is appointed by the ISEC Project Academic Committee. Party A shall bear the assessment fees, which mainly include travel, accommodation, assessment fees, etc. (However, travel, accommodation and assessment fees shall be used in line with the principle of cost savings).
8. Party A shall be responsible for timely electronic registration of project students in Oriental International, and actively cooperates with Oriental International in the collection and management of students' academic results.

IV. Party B's responsibilities and rights

1. Party B is responsible for the communication between Party A and Oriental International, rationalizing and coordinating the relationship between the parties. Party B shall assist Party A in obtaining the formal letter of reply from Oriental International and promote the signing of Cooperation Agreement between Oriental International and Party A in organizing the ISEC project. Party B guarantees the legitimacy and feasibility of the ISEC project introduced to Party A. At the request of Party A, Party B shall make use of its own resource advantages to assist Party A in obtaining the approval of the ISEC project by the local education department and department in charge of price.
2. Party B shall appoint a special person as the deputy director of the project to assist Party A in the management of the ISEC project and shall be responsible for the expenses associated with the personnel appointed.
3. Party B shall be responsible for appointing foreign teachers who are competent for this course to teach more than 5 core curriculums and 5 professional courses in each major. The teaching qualifications of foreign teachers should meet the teaching requirements of education authorities and Oriental International. Party B is responsible for the management of the foreign teachers selected for this project, and the corresponding salary allowance, remuneration, transportation expenses such as round trip tickets, insurance premiums and other expenses that may arise.
4. In view of the importance of English teaching to this project, Party B provides Party A with a full set of syllabus and teaching materials for English (IELTS) teaching and helps to set up and train a team of English teachers to ensure the quality of English teaching. Party B provides foreign teachers of the English courses (Listening and Spoken English) for the first two years, and Party B shall be responsible for the related expenses (including work allowance, remuneration, transportation expenses such as round trip tickets, insurance premiums and other expenses that may arise).
5. Party B is responsible for providing training and consultation support for project promotion, enrollment promotion and so on.

6. Party B helps Party A to ensure the stability of the teaching team. Both parties may propose to adjust the members of the teaching team, but shall not affect the normal teaching of the project; Both parties should regularly supervise the work of the project teachers and administrators, and adjust the unqualified teachers or staff according to the results of the assessment, but both parties should be fully aware of the possible adverse effects caused by the adjustment of the teaching team.
7. Party B is responsible for exploring the resources and projects of overseas cooperative universities, introducing and providing other high-quality educational resources or projects for Party A, and actively arranging for a closer cooperative relationship between Party A and one or more American and British universities, such as forming friendly universities, promoting further exchanges and cooperation between the two sides in the fields of credit mutual recognition, teaching and scientific research.
8. Under the permission of Oriental International, Party B shall actively assist Oriental International or directly provide various overseas study services for students of Party A's ISEC program, such as: overseas study consulting services, study planning, foreign university admission application, guidance, visa guidance, summer camp, etc.
9. In order to promote international and inter-school educational exchanges, Party B invites 2-3 relevant personnel from Party A to visit, exchange or short-term training in foreign cooperative colleges and universities every year, the costs of transportation, accommodation and insurance shall be borne by Party B.

V. Cost clause

1. The project is four-year domestic schooling system. The tuition shall be determined through consultation between the two parties (the proposed standard shall not be less than 20,000 yuan/person/year), and shall be submitted to the price department for examination and approval, from the year of enrollment to the validity of the contract. The annual tuition fee standard and the extent of adjustment shall be agreed upon by both parties according to the specific circumstances. The tuition fees shall be collected from the students by Party A.
2. Party A shall pay the service and management fee of the project to Party B according to the school year. Payment time is before Nov. 30 per school year. The charge rate is 30% of the student tuition fees for the program, and the calculation is as follows: the number of students enrolled in the program in the current year (based on the statistics of the Nov. 30 of that year) X tuition fee standard of the program X35%. That is to say, the project service fee and management fee that Party B should charge. Party B issues corresponding legal bills to Party A. Party B shall advance the project service fee and management fee to the Oriental International Education Exchange Center on behalf of Party A for RMB three hundred thousand (RMB 300000). This amount shall be transferred to the designated account of Party A within the time limit specified by the Oriental International Education Exchange Center of the State Fund Management Council, which shall be handed over by Party A to the Oriental International Education Exchange Center of the State Fund Management Council. After the project is approved by the local education department, Party A refunds RMB three hundred thousand (RMB 300000) to Party B.
3. All teachers and administrators sent by Party B shall have their personnel and salary relations in Party B and Party A shall provide the necessary work assistance.

Assistant: If the teacher is recommended by Party A with the assistance of Party B, the teacher shall be appointed and the salary shall be paid by Party A.
4. The teaching materials of the project course are uniformly used in both Chinese and English edition and auxiliary materials designated by Oriental International. The teaching material costs are paid by students according to the amount of actual use.

VI. Confidentiality Obligations

Both parties undertake to keep confidential to all confidential data and information under this cooperation project, and the parties shall not use the confidential data and information of this cooperation project for purposes unrelated to this cooperation project. The term of this confidentiality obligation shall be from the effective date of this contract to one year after the termination of this contract.

VII. Liabilities for Breach of Contract

1. The failure of one or both of the parties to this Agreement to perform or fully perform their obligations under this Agreement constitutes a breach of contract. In the event of breach of contract, the defaulting party shall, in accordance with the relevant laws, regulations and the provisions of this Agreement, bear liability for breach of contract and indemnify for actual and other losses suffered by the other party.
2. If force majeure causes this Agreement to be unenforceable, the parties to the agreement may, in accordance with the influence of force majeure, be exempted from liability in part or in full. If the Party is unable to perform this Agreement due to force majeure, it shall notify the other party in a timely manner, and shall do its utmost to mitigate the losses that may be caused to the other party and provide proof to the other party in a timely manner.
3. Force majeure under this clause is an objective situation that is unpredictable, unavoidable and insurmountable.
4. Party A promises Party B to be the sole partner of this project, otherwise Party A shall be liable for breach of contract and indemnify Party B for all economic losses resulting therefrom.

VIII. Settlement of disputes, alteration and dissolution of Agreement

1. Any dispute arising in the implementation of this Agreement shall be settled through friendly consultation between the two parties. Without negotiation, either party has the right to bring a lawsuit. The competent court of this agreement shall be the people's court having jurisdiction in the seat of the plaintiff.
2. Party B shall have the right to terminate the contract if Party A fails to pay the share of the project benefits to Party B on schedule and Party B notifies Party A in writing that the payment shall be made within the time limit but Party A still fails to pay. Party A shall be liable for breach of contract, and all adverse consequences and economic losses arising therefrom shall be borne by Party A.
3. Both parties shall not suspend their cooperation without any reason until the project students who have been admitted by Party A have graduated. (in the event of breach of contract by one party, it may be dealt with in accordance with the above-mentioned provisions.)
4. If one of the parties or both parties puts forward justifiable reasons and requests to terminate this agreement in advance, the two parties shall settle the agreement through friendly negotiation and sign the termination agreement before termination.

IX. Entry into force of the agreement

1. The agreement shall enter into force on the date of signature by the representatives of both parties and shall be valid for ten years. This Agreement shall be in quadruplicate. Each party shall preserve two copies respectively with equal legal force. Neither party may unilaterally modify the terms of the agreement. Uncovered matters are added separately.
2. When the term of the contract expires, if Party A and Oriental International continue to cooperate on this project, the contract shall be renewed naturally and shall be valid for the same period.

Party A: Fujian University of Technology
Fujian University of Technology (sealed)

Party B: China Liberal (Beijing) Education and Technology Development Co., Ltd.

China Liberal (Beijing) Education and Technology Development Co., Ltd. (sealed)



Signature and seal of representatives:

MM/DD/YY

Signature and seal of representatives:

佳(北京)教育科技发展有限公司

MM/DD/YY

International Scholarly Exchange Curriculum (ISEC) Program

Supplementary Agreement

Contract No.:

This Agreement was signed in Fuzhou by the following parties in March 2014

Party A: Fujian University of Technology International College

Address: No. 89, Ruanjian Avenue, Fuzhou City, Fujian Province

Party B: China Liberal (Beijing) Education and Technology Development Co., Ltd.

Address: Room 1206, Business Building, Jinguang Center, Hujialou, Chaoyang District, Beijing

Unless otherwise stated, all the definitions of terms in this Agreement are equal to the definitions of International Scholarly Exchange Curriculum Program Cooperation Agreement (hereinafter referred to as "Original Agreement") signed by both parties in December 2012.

Whereas:

In order to clear the duties and obligations of the cooperation parties, give a better play to the school-running advantages of both parties and ensure the normal operation of the International Scholarly Exchange Curriculum (ISEC) Program. Both parties based on the principles of mutual benefit and reciprocity, the Supplementary Agreement about the relevant uncovered matters including visa and accommodation of foreign teachers of the Original Agreement has achieved after the friendly negotiation of party A and Party B, detailed as follows:

I. Responsibilities and expenses paid by Party A

1. Party A is responsible for filling the application form (the foreign teachers' information involved in the form is provided by Party B) of work-in-China license needed before the foreign teachers enter the country, application report, contract in both English and Chinese and invitation letter, and send the relevant materials to Party B. The above materials should be mailed to the foreign teachers by Party B but the expenses should be borne by Party A. The transportation fees and mailing fees occurred in submitting materials to provincial education department and provincial foreign affairs office are paid by Party A; The provincial foreign affairs office returns the visa materials of the foreign teachers of this program to Party A after they are handled. The expenses occurred in processing material copies and photo prints provided by the foreign teachers involved during handling the visa materials shall be borne by the foreign teachers themselves.

2. Party A is responsible for taking the foreign teachers to have a physical examination, apply for expert certificate, temporary residence permit and residence permit after the foreign teachers of this program enter the country. Party A should dispatch cars to take the foreign teachers to have a physical examination and bring them back, apply for temporary residence permit and residence permit, and expert certificate; If not, the transportation fees and delivery fees occurred in the process shall be borne by Party A. The expenses involved in copying and photo printing shall be borne by the foreign teachers themselves.
3. New hired foreign teachers in this program need to replace their visa in Hong Kong, Party A shall assist the teachers to order the air and bus tickets and guide the teachers to ride them.
4. Party A can dispatch a car to pick up the foreign teachers at the airport refer to their flight information, if cannot, the transportation fees occurred shall be borne by the teachers themselves. If the flight delayed, the late meal fees borne by the airport pickup staff themselves.
5. Party A is responsible for providing the campus dormitory for the foreign teachers in this program. If the foreign teachers insisted to live outside the campus, then count from the month when the foreign teachers renting the apartment, the first foreign teacher who need to live outside the campus can have the accommodation subsidy of RMB 1800 (pre-tax) paid by Party A, the accommodation subsidy of RMB 1800 (pre-tax) of the second teacher should paid by Party B. If there is only one foreign teacher who insisted to live outside the campus, then Party A and Party B shall take their turns to pay the accommodation subsidy of RMB 1800 (pre-tax) according to semester. When the foreign teachers and Party B provide the formal rental invoice to Party A, Party A shall pay the accommodation subsidy.
6. Party A is responsible for sending someone assists the foreign teachers in this program to find an appropriate apartment to move in, the transportation fees occurred by it should be paid by Party A. After the foreign teacher renting the apartment, Party A shall dispatch a car to send the baggage of the teacher to the apartment, if cannot, the relevant transportation fees shall be paid by Party A.
7. Party A is responsible for handling the problems confronted in the teaching and daily life of the foreign teacher (such as: take them to hospital and open account in bank), Party A shall pay the transportation fees occurred in the first time of go to hospital and open account or dispatch cars, if Party A cannot dispatch the car, the transportation fees shall be solved by the foreign teachers themselves.

II. Responsibilities and expenses paid by Party B

1. Party B shall appoint a special person as the deputy director of the program to participate in Party A and conduct co-management of the ISEC program with Party A and shall be responsible for the expenses associated with the personnel appointed.

2. According to the *International Scholarly Exchange Curriculum Program Cooperation Agreement* signed by both parties in December 2012, Party B shall provide international faculty in above 12 courses each major (not less than one third of the credits of English, general knowledge and major courses). According to the training plan of each major in Fujian University of Technology, the certain No. of courses and credits be borne by Party B is calculated by the number of courses and the total credits deduct the ideological and political course, sports course, professional development course and graduation practice design. In consideration of there are more class hours in English major, and teach in small classes, Party B has invested more educational resources to it than the ordinary classes. It has determined by both parties after the friendly consultation, Party B should appoint the foreign teachers who is qualified with the courses in this program to Party A to teach 4 general knowledge courses and 6 major courses (architecture major set up 8 major courses) to the students under the program of ISEC, and is responsible for providing foreign teaching teachers of 6 English majors in 2 years, including the *University Academic English Writing* (requested by the ISEC program), *English Phonetics*, *Oral English 1*, *Oral English 2*, *Oral English 3* and *Oral English 4*.

Both parties agree: If the English courses' number borne by Party B decreased due to the adjustment of Party B's training plan, the decreased number shall increase into the corresponding general knowledge courses, i.e. when there is a decrease in English course, there is an increase in general knowledge courses additional accordingly.

After the agreement of both parties, Party B can adjust the borne course's name, but the borne number shall not be decreased. The total number of courses shall be ensured to maintain in 16 courses (18 courses in architecture major).

3. The conditions of the foreign teaching teachers in 16 courses (18 courses in architecture major) provided by Party B are as follows:
 - (1). Set up in total 6 English courses of freshman year and sophomore year:
 - Set up *Oral English 1*, *English Phonetics* in the first semester of freshman year;
 - Set up the *University Academic English Writing* (general knowledge courses requested by the ISEC program), *Oral English 2*;
 - Set up *Oral English 3* in the first semester of sophomore year;
 - Set up *Oral English 4* in the first semester of sophomore year;
 - (2). Set up in total 4 general courses in both freshman year and sophomore year (specific course's name refer to the appendix);
 - (3). Set up in total 6 general courses in both junior year and senior year (set up 8 major courses, specific course's name refer to the appendix).
4. Party B shall determine the teaching teachers 2 months before the classes begin and submit it to Party A to handle the relevant procedures.
5. Party B is responsible for paying the according salary allowance, reward of each class and travel expenses' subsidy.

6. Party B is responsible for paying the medical insurance in China, insurance expenses are transferred by Party B to Party A, Party A transfer it to insurance company.
7. Party B is responsible for paying the physical examination fees, visa fees (foreign, Hong Kong and Fuzhou) of the foreign teachers in this program, the foreign teachers should provide the corresponding invoices.
8. The mailing fees occurred in mailing to the foreign teacher and Party B shall be borne by Party A.
9. Party A is responsible for providing the campus dormitory for the foreign teachers in this program. If the foreign teachers insisted to live outside the campus, then count from the month when the foreign teachers renting the apartment, the first foreign teacher who need to live outside the campus can have the accommodation subsidy of RMB 1800 (pre-tax) paid by Party A, the accommodation subsidy of RMB 1800 (pre-tax) of the second teacher should paid by Party B. If there is only one foreign teacher who insisted to live outside the campus, then Party A and Party B shall take their turns to pay the accommodation subsidy of RMB 1800 (pre-tax) according to semester. When the foreign teachers and Party B provide the formal rental invoice to Party A, Party A shall pay the accommodation subsidy.
10. Party B is responsible for providing the copies and photos of visa, Chinese and English resume, educational certificate and the relevant qualification certificate to the foreign teachers for handling all the certificates. The number of copies and photos shall provide to Party A according to the requirements of certificate handling.
11. Party B is responsible to inform Party A the flight information of the foreign teachers in this program coming to China.
12. In the process of handling visa for the foreign teachers, if the foreign teachers fail to in their position to perform this Agreement, the expenses occurred in this process borne by Party B.

III. Confidentiality obligation

Both parties undertake to keep confidential to all confidential date and information under this cooperation program, and the parties shall not use the confidential date and information of this cooperation program for purposes unrelated to this cooperation program. The term of this confidentiality obligation shall be from the effective date of this contract to one year after the termination of this contract.

IV. Responsibility of default

1. The failure of one or both of the parties to this Agreement to perform or fully perform their obligations under this Agreement constitutes a breach of contract. In the event of breach of contract, the defaulting party shall, in accordance with the relevant laws, regulations and the provisions of this Agreement, bear liability for breach of contract and indemnify for actual and other losses suffered by the other party.
2. If force majeure causes this Agreement to be unenforced, the parties to the agreement may, in accordance with the influence of force majeure, be exempted from liability in part or in full. If the Party is unable to perform this Agreement due to force majeure, it shall notify the other party in a timely manner, and shall do its utmost to mitigate the losses that may be caused to the other party and provide proof to the other party in a timely manner.

- Force majeure under this clause is an objective situation that is unpredictable, unavoidable and insurmountable.
- Party A promises Party B to be the sole partner of this program, otherwise Party A shall be liable for breach of contract and indemnify Party B for all economic losses resulting therefrom.

V. Settlement of disputes, alteration and dissolution of Agreement

- Any dispute arising in the implementation of this Agreement shall be settled through friendly consultation between the two parties. Without negotiation, either party has the right to bring a lawsuit. The competent court of this agreement shall be the people's court having jurisdiction in the seat of the plaintiff.
- Party B shall have the right to terminate the contract if Party A fails to pay the share of the program benefits to Party B on schedule and Party B notifies Party A in writing that the payment shall be made within the time limit but Party A still fails to pay. Party A shall be liable for breach of contract, and all adverse consequences and economic losses arising therefrom shall be borne by Party A.
- Both parties shall not terminate their cooperation without any reason until the program students who have been admitted by Party A have graduated. (in the event of breach of contract by one party, it may be dealt with in accordance with the above-mentioned provisions.)
- If one of the parties or both parties puts forward justifiable reasons and requests to terminate this agreement in advance, the two parties shall settle the agreement through friendly negotiation and sign the termination agreement before termination.

VI. Effectiveness of the protocol

- The agreement will take effect since the date of signature and sign by the representatives of both parties, valid period is in accordance with the Original Agreement. This Agreement shall be in quadruplicate. Each party shall preserve two copies respectively with equal legal force. Neither party may unilaterally modify the terms of the agreement. Uncovered matters are added separately.
- When the term of the contract expires, if Party A and Oriental International continue to cooperate on this program, the contract shall be renewed naturally and shall be valid for the same period.
- The content and items of the original agreement unmodified still in accordance with the Original Agreement.

Appendix: The Undertaken Teaching Course Catalogue under Fujian University of Technology ISEC Program

Party A: Fujian University of Technology International College
 Fujian University of Technology International College (sealed)

Party B: China Liberal (Beijing) Education and Technology Development Co., Ltd.
 China Liberal (Beijing) Education and Technology Development Co., Ltd. (sealed)

福建工程学院 ISEC 项目承担:

福建工程学院国际学院
 签章: 

17日 14日

Signature and seal of representatives:

May 15, 2014

專雅(北京)教育科技发


Signature and seal of representatives:

May 15, 2014

**Agreement on the International Education Resources Services for the
Sino-New Zealand Cooperation Program of preschool education
major in Fujian Preschool Education College**

Date of signature of this Agreement: Aug. 2016

Both parties of signature of this Agreement:

Party A: Fujian Preschool Education College

Address: No. 89, Chang'an Road Cangshan District, Fuzhou City, Fujian Province

Legal representative: Zheng Jiancheng

ID card No.:

Party B: China Liberal (Beijing) Education Technology Development Co., Ltd.

Address: Room 1206, Business Building, Jinguang Center, Chaoyang district, Beijing

Legal representative: Lin Yiyi

ID card No.:

Whereas:

Fujian Preschool Education College approves and reviews the startup of a Sino-New Zealand Cooperation Program (hereafter referred to as Sino-New Zealand Program) in preschool education of Provincial Education Department, China Liberal (Beijing) Education Technology Development Co., Ltd. with high-quality international education resources and high-tech education software resources. It can provide international resources and high-tech education software for new projects of Party A (Sino-New Zealand Program), introducing the professional international cooperative education project resources to Party A in light of the major of Educational, Artistic, Foreign Language, etc. Assisting Party A to carry out academic exchange activities such as Teachers' Training, Overseas Study Tour and Summer Camps.

After amicable negotiation between the two parties, we are now providing international course teachers for Party A's new programs by Party B in accordance with the needs of party A's "Sino- New Zealand Program", introducing high-tech education software, assisting Teachers' Training, offering study abroad services, etc. (other cooperation matters will be discussed separately), and based on the cooperative school agreement between Party A and the New Zealand Tertiary College ("NZTC"), we have reached the following agreements:

I. Service Content

1. Party B provides Party A with international education resource service and high-tech education software resource service. Each party assigns one specially-assigned person to carry out the handover process. Both parties regularly give a feedback to teachers' teaching method to constantly improve the quality of teaching, ensure its effect to maintain the reputation of the school and protect the interests of the educatee.

2. According to the relevant requirements of NZTC on English teaching, Party B designs English teaching plan for the Sino-New Zealand program and provides Party A with a full set of outlines and textbooks for teaching English (including IELTS). Party A should pay the textbook fees to Party B separately. Party B should issue a formal invoice to Party A. This Reinforcement English Course will be taught jointly by Chinese and foreign teachers in a small class. Party B is responsible for foreign teachers in 5 English courses General English (Oral English 1), General English (Oral English 2), Academic English (Oral English 1), Academic English (Oral English 2), Academic English (Writing 2), related expenses of foreign teachers(including salary allowance, courses reward, travel subsidy, medical examination fee, visa fee, insurance premium, etc.) all shall be responsible by Party B. Party A shall choose a specially-assigned person to communicate the progress of teaching with Party B to ensure the quality of English teaching.

3. Party B provides Party A with its independently developed high-tech educational software (China Liberal “My Textbook” [student’s end]/ “My Course” [teacher’s end]). Party A shall apply the software to the English course in Sino-New Zealand program and complete the English teaching programs according to the teaching software in the three periods before class, during class and after class. Party B is responsible for resolving software failures, missed content, version updates and other related issues that occur when using the software.

4. Party B is responsible for providing Party A with 10 professional courses in New Zealand Tertiary College (“NZTC”) which is related to teachers and teaching of the full set of outline and official publication, the course is listed as follows:

The third semester

A001 Introduction to Learning Online

BEdl14C6 Early Childhood Writing and Research 1 (10 credits)

BEdl21C6 Play as a Framework for Learning (10 credits)

BEdl22C6 Planning and Learning (15 credits)

The fourth semester

BEdl32C6 Positive Child Guidance (10 credits)

BEd214C6 Early Childhood Writing and Research 2 (10 credits)

BEd221C6 Early Childhood Curriculum 1 (15 credits)

The fifth semester

BEd231C6 Lifespan Studies 2 (15 credits)

BEd202C6 Infants and Toddlers (15 credits)

BEd222C6 Early Childhood Curriculum 2 (15 credits)

5. 10 NZTC professional course teachers chosen by Party B can be NZTC full-time teachers, or those who have teaching qualifications of NZTC. NZTC full-time teachers go to the location of Party A's school to teach students in Sino-New Zealand program 3 weeks every term. The rest is taught by NZTC teachers. The teacher's expenses shall be paid by Party B.

6. Party A provides offices and realia for the teachers and managers sent by Party B and China visa for foreign teachers chosen by Party B (foreign teachers' insurances, physical examination and other certificates shall be provided by party B). Party B shall provide the services of booking and the arrangement for accommodation of foreign teachers, airport transferring, and the related fees shall be borne by Party B.

7. Party A can send excellent teachers for overseas training. The expenses of training, travel, accommodation and other related expenses shall be paid by Party A. Party B provides assistance to the excellent teachers selected by Party A to overseas training.

8. Party B assists Party A in carrying out international exchanges and cooperation, introducing Educational, Artistic, Foreign Language and other professional resources of running Chinese-foreign cooperative running program, providing short-term experience and learning, summer camp and other academic exchange activities, offering the professional service of studying abroad for students who want to further their study abroad. And it is the only partner to study abroad. Party A shall assist Party B to carry out work and procedures for Sino-New Zealand program for students study abroad, such as the convening of Study Abroad Seminar and Overseas Study Lecture, providing the certificate concerning political examination, scores and academic credential.

9. Party B can provide practical training services and employment opportunities for students of Sino-New Zealand in the kindergarten affiliated by Party B.

10. Party A completes the assessment task of Sino-Foreign Cooperative school-running in Fujian Province together with Party B, including self-assessment reports and assessment indicators, connotation report, information collection, administrative examination and approval documents, Sino-Foreign cooperative school agreement and other materials.

II. Service Expense

1. Entrusted by the New Zealand Tertiary College, Party B collects 50% of the income from Party A paid to the New Zealand Tertiary College. The payment needs to be made as per the actual situation, which is RMB 9,000 per student each academic year (RMB 9,000). Party B shall issue a formal invoice to Party A. The agreement between Party A and the New Zealand Tertiary College is attached as the attachment of this agreement.

2. The income tax is paid by each party after deducting school running cost.

3. Any other payments shall not be paid by Party B to Party A except the fees charged by the New Zealand Tertiary College as mentioned above.

III. Agreement Duration, Default Responsibility, Dispute Resolution and Confidentiality Agreement

1. Agreement duration

1) This agreement shall come into effect on the date of signing. This agreement is especially for offering the services for the students of Sino-New Zealand Program in 2016 Grades with the cooperation period of 3 years (Sep. 2016-Jul. 2019). The cooperation matters at that time will be separately determined by the two parties through their mutual negotiations. If there is no contract extension, this agreement shall automatically terminate on the graduation date of the student in Jul. 2019.

2) As political reasons, natural disasters, wars and other unforeseeable factors, or force majeure (Such as policy reasons) for which the occurrence and consequences are unpreventable and unavoidable, the agreement is affected and can't be implemented as the predetermined conditions. The disputing party shall notify the other party without any delay and provide detailed information and valid documentary evidence within thirty days. When this performance agreement is influenced or the agreement is terminated by force majeure, both parties shall make proper arrangement for the students involved in this educational program, and lower students' losses to the minimum level.

2. Affirmation and compensation of responsibility for breach of contract

1) Either party that fails to fulfill the responsibilities and obligations as per the predetermined time, manner and requirement of this agreement shall be deemed as a breach of agreement;

2) If the program objective cannot be achieved or economic losses are caused to the observant party due to the breaching action of the defaulting party, the defaulting party shall take corresponding compensation responsibility. The defaulting party shall independently bear the corresponding legal responsibility in case of violating the legal rights and interests of the students of the education program or the society as well as violating the Chinese laws and government decrees due to his/her nonperformance and misconduct.

3) If the defaulting party is required to undertake joint compensation liability due to any third-party dispute which is incurred by the default party's noncompliance or misconduct, the unaccountable party has the right to require the breach or misconduct party to make corresponding compensation.

4) Party A's shall make compensates to the students' losses in case of Party A violating the contract or getting involved in the infringement behaviors. Party A has no obligation to make compensation for students' loss caused by Party B's default. The students' loss caused by party B's default shall be compensated by Party B.

3. Confidentiality of agreement

1) Both parties are obliged to keep the contents of the agreement confidential from the date when it drafts, revises and signs. Without the consent of the other party, neither party shall disclose the contents of the agreement to any third party, otherwise it will constitute a breach of contract. The Non-responsible party shall have the right to terminate the contract and the defaulting party should bear the corresponding liability and indemnify the loss.

4. Settlement of disputes

1) In the process of agreement implementation, the important matters to be informed to each other shall be prepared in written form and the content of written form prevails.

2) In the event of any dispute occurring during the agreement implementation, Party A and Party B shall settle this dispute through mutual negotiation. Any dispute fails to be solved can be proposed as a lawsuit by any party in the People's Court of Party A's address.

This agreement shall come into effect after being signed and sealed by Party A and Party B. This agreement is in duplicate, with each party holding one copy, and the copies shall enjoy the equal legal effect.

Party A: Fujian Preschool Education College

Party B: China Liberal (Beijing) Education Technology Development Co., Ltd.

Fujian Preschool Education College (sealed)

Special seal for contract of the China Liberal (Beijing)

Education Technology Development Co., Ltd. (sealed)



Sealed by the representative:



Sealed by the representative:

Fuzhou Melbourne Polytechnic
Smart Campus Project Agreement

Party A: Fuzhou Melbourne Polytechnic

Address: No. 199, Xiyuangong Road, Minhou College Town, Fuzhou

Tel: 0591-83761763

Party B: China Liberal (Beijing) Education Technology Co., Ltd.

Address: Room 1206, Business Building, Jinguang Center, Hujialou, Chaoyang District, Beijing Municipality

Tel: 010-65978118

I. General Provisions**1. Introduction to Party A**

Fuzhou Melbourne Polytechnic is an international institute of higher education as jointly established by Minjiang University and Australian Melbourne Polytechnic, and is the only Sino-foreign cooperative schooling institute of Fujian Province implementing higher qualification education with the approval of the Ministry of Education of China, and has 18 years' history of Sino-foreign cooperative schooling. In January 2017, Fuzhou Melbourne Polytechnic becomes the college with independent legal person qualification through the formal written reply of the Ministry of Education, and becomes the 12th independent Sino-foreign cooperative schooling institute in China and the first independent Sino-foreign cooperative schooling institute in Fujian Province.

2. Introduction to Party B

China Liberal (Beijing) Education Technology Co., Ltd. is an international education institution sponsored by senior education person and jointly established by the core teams in the fields of international cooperative schooling, international art education and international academic exchange, integrating Sino-foreign cooperative schooling, dispatch of foreign talents and research and development online platform, with its HQ in Hong Kong and business covering Beijing, Shanghai, Fujian, Wuhan, Chengdu, Zhengzhou, Shijiazhuang, Xi'an, as well as America, Australia, Italy, Spain, Germany, France, etc. So far, the Group has established cooperation relationship with many domestic colleges and universities, and provides smart campus solutions for the cooperation projects of colleges and universities, including multimedia classroom building, teaching affairs management, IOT, mobile teaching products, etc.

3. Tenet of Cooperation

Since the 18th National Congress of the Communist Party of China, education informatization meets the great historical development opportunities; in the letter of congratulation of Chairman Xi Jinping to the First International Conference On ICT in Education “actively promoting the innovative development integrating information and education”, “building network, digital, personalized and life-long education system” with education informatization, constructing the learning society of “every person can learn at any time in any place”, cultivating a large batch of innovation talents”, “persistently promoting education informatization and trying to enlarge the coverage of good quality educational resources by means of informatization”, which indicates the objective, direction and channel of education informatization work. The Ministry of Education has indicated for many times that the extensive use of rising information technology in education, such as cloud computing, IOT, virtual reality and big data, etc, promotes the transformation of educational mode, teaching method and schooling method; we shall attach importance to and support the development of informatization teaching equipment and encourage to explore and build smart campus.

4. Cooperation Objective

According to the characteristics of Sino-foreign cooperative schooling of Fuzhou Melbourne Polytechnic, Party B designs the smart campus construction scheme with the characteristics of Fuzhou Melbourne Polytechnic, with the overall guidance thought of overall planning and phased implementation, and ensures prospective and expandable planning as well as scientific and advanced implementation. The data of all parts of Smart Campus will be integrated to become the large data platform of the College; and all software systems will use the uniform account system for the use of teachers and students, which may thoroughly resolve the previous data communication failure between information systems of the campus and avoid information island.

Now therefore, Party A and Party B have entered into the following agreement through full investigation and negotiation in respect of Party B participating in Smart Campus construction of Fuzhou Melbourne Polytechnic:

II. Overall Design Scheme of Smart Campus

Party B shall make the following scheme according to the overall demand of Party A:

1. Wireless Network Coverage

Party B shall deploy wireless AP access points in the teaching buildings of the College, so to guarantee that the classrooms and offices of every floor of teaching buildings can have access to internet through WIFI. In order to guarantee that stable internet signals will be conveyed to wireless transmitter, Party B shall replace non CAT-6 network lines of teaching buildings with gigabit Ethernet cables. The teachers and students of teaching area will make real-name certification through their respective account number and password. On the basis of being compatible with existing wired network, Party B shall combine AP of different specifications such as panel type, loading and unloading type and high density, because maximum number of people may deploy different AP access point in each room on each floor.

Modules:

- (1) Panel type AP;

- (2) Loading and unloading type AP;
- (3) High density AP;
- (4) POE exchanger;
- (5) Single mode optical fiber module;
- (6) Wireless controller;
- (7) Standard CAT-6 Ethernet wiring;
- (8) 86-box web panel.

2. Common Classroom

Party B shall add IOT module to 17 common classrooms of the College, so as to collect the energy consumption information of IOT equipment through sensory systems on campus at real time, focus on monitoring large power and high power consumption equipment and make data statistics and analysis. Manager may understand the energy consumption of teaching buildings, office buildings, labs, etc, and thus design scientific smart management scheme, so as to better integrate and utilize resources and save costs and finally reach the purpose of saving energy and reducing emission.

Modules:

- (1) Smart environment perception control module;
- (2) Air-conditioner smart management module;
- (3) Comprehensive monitoring management module.

3. Amphitheatre

Party B shall install multimedia equipment and IOT modules in 5 amphitheatres of the College, which shall not only meet the teaching requirements but also give consideration to the smart management of equipment. Modules:

- (1) High lumen projector;
- (2) Large size curtain;

- (3) Professional power amplifier;
- (4) Main amplification system;
- (5) Radio microphone;
- (6) Hanging microphone;
- (7) Smart environment perception control module;
- (8) Air-conditioner smart management module;
- (9) Comprehensive monitoring management module.

4. Academic Report Hall

Party B shall install multimedia equipment and IOT modules in the academic report hall of the College, so as to meet the use requirements of academic reports. It will display the information of report meeting through multiple LED screens and manage all electronic equipment by the use of IOT.

Modules:

- (1) High lumen projector;
- (2) Large size motor-driven curtain;
- (3) Central control;
- (4) Sound console;
- (5) Mixer;
- (6) Host of conference system;
- (7) Professional power amplifier;
- (8) Main amplification system;
- (9) Radio microphone;
- (10) Hanging microphone;
- (11) Smart environment perception control module;
- (12) Air-conditioner smart management module;
- (13) Comprehensive monitoring management module.

5. EAP Smart Classroom

15 EAP smart classrooms are created according to the needs of transformation and innovation of English teaching mode of the College, with advanced informatization teaching equipment instead of existing traditional teaching equipment, so as to realize double screen teaching, interactive teaching, grouping discussion teaching, classroom direct recording and playing, remote synchronous courses, etc.

Modules:

- (1) Micro-focus interactive projector;
- (2) Wireless screen module;
- (3) Thin-client;
- (4) Full-automatic direct recording and playing terminal;
- (5) Smart environment perception control module;
- (6) Air-conditioner smart management module;
- (7) Comprehensive monitoring management module.

6. Language Lab

4 language labs are used for the freshman English proficiency test as required by the foreign cooperative colleges and universities; in addition to listening teaching, they will be used for writing teaching. The language labs meet the multi-purpose teaching application needs and adopt desktop virtual cloud technology, so that every student will obtain the user experience of independent PC. The synchronized broadcasting of HD video is smooth and there is no obvious out-sync between students. During the discussion of 2 or 3 students' team in the classroom, there is no suspension or lapse in sound. The listening and writing training results of students will be recorded in the teaching system synchronously at real time and students' learning data will be summarized in big data center, so as to provide data support for the learning tracking of students.

Modules:

- (1) Virtual cloud management cloud;
- (2) Cloud terminal host;
- (3) Cloud terminal student workstation;
- (4) Multimedia transmission;
- (5) Voice box power amplifier;

- (6) Synchronous upload of exercise data;
- (7) Smart environment perception control module;
- (8) Air-conditioner smart management module;
- (9) Comprehensive monitoring management module.

7. Business Experiment Center

In the context of development objective big policy of China (Fujian) Pilot Free Trade Zone, the industrial development and talent demand of the Free Trade Zone facilitate the cultivation level and positioning of relevant professional talents. The College builds supporting Business Experiment Center to meet the urgent demand of national “One Road, One Belt” and Fujian Free Trade Zone for the internationalized compound applied talents. The core location of the Experiment Center is the high-end talent cultivation experiment base of the Free Trade Zone in the fields of E-commerce, international trade, finance, marketing, financial and accounting, business administration and big data.

Modules:

- (1) International financial and accounting scene simulation lab;
- (2) Marketing lab;
- (3) International trade scene simulation lab;
- (4) Cross-border E-commerce lab;
- (5) International finance simulation lab;
- (6) Teaching system data docking;
- (7) High density wireless AP.

III. Installation and Debugging, Technical Service, Personnel Training and Technical Documents

1. Party A shall complete the following preparatory works within 10 days as from the date of signing of this Agreement;

| SN | Place of Installation | Installation Conditions |
|----|--|---|
| 1 | Multimedia equipment of 5 amphitheatres and the projector of 15 EAP classrooms | 1. The blackboards of EAP classrooms have been installation 2. The week current circuits of EAP classrooms and amphitheatres have been installed. 3. The machine cabinet of EAP classrooms has been put in place. |

- | | | |
|---|-------------------------------------|--|
| 2 | Wireless coverage and cloud desktop | <ol style="list-style-type: none"> 1. Equipment power supply, equipment installation space environment and week current wireless AP wiring have put in place. The optical fiber cables from the wireless POE exchanger of week current room of the 3rd floor of 3 buildings to the central machine room shall be connected; which shall be provided by the College. 2. Deploying the network cables in conformity with international CAT-6 standards; each AP access point shall have 86 box port panels. 3. The 1-meter jumper wire connecting wiring access points and the jumper wire connecting POE exchanger in the power distribution frame of machine cabinet shall be provided by the College. 4. The two terminals of wireless AP deployment network cables shall be marked and recorded. |
| 3 | IOT equipment | <ol style="list-style-type: none"> 1. The week current circuits of 42 classrooms have been installed. 2. The machine cabinet of classroom has been put in place. 3. The server provided by the College for installing software. 4. Positions of air-conditioners are determined. |
| 4 | Recording and playing system | <ol style="list-style-type: none"> 1. The machine cabinet of EAP classroom has been put in place. 2. The week current circuits have been installed. 3. The position of control panel has been determined. 4. The server provided by the College for installing software. |
| 5 | Wireless microphone | The machine cabinet of EAP classroom has been put in place. |
| 6 | Purchase of language lab | Strong and week currents, lighting and walls of language lab have been completed. |
| 7 | Great business experiment center | Hardware, software and indoor decorations |

2. Party B shall complete the installation and debugging of all equipment within 50 days as from the date of signing of this Agreement.
3. Party B shall train Party A's personnel after the completion of installation and debugging, so as to guarantee that Party A's personnel can normally operate the equipment.

IV. Payment Method and Conditions

1. Equipment of Smart Campus Project

The total investment amount of Smart Campus Project is RMB 25,000,000 (see the Appendix List of Items for details). Party B shall provide the parameters and performance, etc of the hardware equipment, and Party A shall provide the detailed demands of relevant teaching affairs. Party B shall sign purchase agreements with manufacturers, and shall be responsible for the installation and debugging of software and hardware, and ensure that such software and hardware will meet the expected standards. Upon the completion and acceptance of installation and debugging, Party A shall pay the price of Smart Campus Project to Party B according to the amount of final accounts. Party A may pay the price of Smart Campus Project to Party B within ten years, namely RMB 25,000,000/10 years=RMB 250,000 every year.

2. Operation and Maintenance Costs of Smart Campus Project

Party B shall, according to the use and demand of Party A, keep updating and optimizing the software as developed by Party B, and shall be responsible for the security of data, and shall guarantee that the computer equipment as purchased by Party B can normally work after software update, and shall be responsible for the daily maintenance of computer equipment. If necessary, Party B shall timely upgrade and update computers. Party A shall, prior to the 10th day of every October, pay the Smart Campus operation and maintenance expenses (excluding tax) to Party B, namely RMB 25,000,000 *8%=RMB 2,000,000. The Parties shall otherwise sign *Operation and Maintenance Agreement* in respect of the detailed terms and conditions of operation and maintenance.

V. Intellectual Property Right

Party B must guarantee that Party A will not be accused by any third party of infringing patent right, trademark right, industrial design right, etc at the time of using the goods or any part thereof. Any accusation of infringement raised by any third party shall have nothing to do with Party A, and Party B shall negotiate with such third party and assume all possible liabilities and expenses arising therefrom. Party B shall compensate for the losses as suffered by Party A therefore, if any.

VI. Liabilities for Breach

1. If Party B fails to complete the work contents as specified herein according to the provisions of this Agreement (except due to force majeure or Party A's cause), Party B shall assume corresponding liabilities for breach.
2. If Party A delays in paying any amount, it shall pay a penalty to Party B according to the amount that is late.

VII. Confidentiality

1. Either party shall strictly keep the trade secrets that it learns from the other party through work or other channel confidential, and shall, without the prior written consent of the other party, not disclose, leak or provide any confidential information that is obtained from the other party to any third party (whether in writing, orally or otherwise).
2. The duties of confidentiality of the Parties hereunder shall survive any suspension, cancellation, dissolution or termination of this Agreement.

VIII. Force Majeure

1. In case of any breach due to force majeure, the impacted party shall timely send a notice to the other party stating the cause for non-performance or partial performance. Based on such act, the impacted party is allowed to delay in performing, or to partially perform, or not to perform this Agreement, and shall be exempted from the liabilities for breach in whole or in part according to the reality.
2. For the purpose of this Agreement, force majeure refers to the objective circumstance that is unforeseeable, unavoidable and insuperable, including but not limited to natural disaster such as earthquake, typhoon, flood, fire; governmental act, change of laws and regulations or change of applicability, or any other event that cannot be foreseen, avoided or controlled.

IX. Dispute Resolution

Any dispute arising from or relating to this Agreement shall be settled by the Parties through friendly negotiation. In case negotiation fails, either party hereto may lodge a suit to the competent people's court of the place where Party A is located.

X. Effectiveness

1. The period of validity of this Agreement shall be ten years as from the date of signing.

2. This Agreement is made in four originals of the same legal force, two for each party hereto. This Agreement shall become effective upon being signed by the authorized representatives of the Parties.
3. The Parties shall otherwise sign relevant contracts in respect of detailed cooperation affairs according to the principles and provisions as specified in this Agreement.

Party A: Fuzhou Melbourne Polytechnic

Representative: (Signature)

Date: August 29, 2017

Fuzhou Melbourne Polytechnic (Seal)



Party B: China Liberal (Beijing) Education Technology Co., Ltd.

Representative: (Signature)

Date: August 29, 2017

Special Contract Seal of China Liberal (Beijing) Education Technology Co., Ltd. (Seal)



Appendix: List of Items

List of Software of Big Data Center

| SN | Software Name (Platform) | Price (Yuan) |
|----|---|-------------------------|
| 1 | Mobile Online Operation System (iOS, android) | 120,000 |
| 2 | Mobile Online Exam System (iOS, android) | 130,000 |
| 3 | Spoken Language Repeat Practice System (iOS, android) | 130,000 |
| 4 | Student Error Book Management System (iOS, android) | 90,000 |
| 5 | Teacher Online Correction System (iOS, android) | 100,000 |
| 6 | Student Learning Trajectory Management (iOS, android) | 110,000 |
| 7 | Mobile Online Classroom Interaction System (iOS, android) | 140,000 |
| 8 | Smart Test Assembly System (iOS, android) | 100,000 |
| 9 | Student Courses Election System (Website) | 140,000 |
| 10 | Student Transcript Inquiry System (Website) | 120,000 |
| 11 | Classroom Reservation System (Website) | 130,000 |
| 12 | Smart Course Arrangement System (Website) | 160,000 |
| 13 | Smart Exam Arrangement System (Website) | 150,000 |
| 14 | School Rolls Management System (Website) | 140,000 |
| 15 | Teachers Management System (Website) | 120,000 |
| 16 | Practical Teaching Management System (Website) | 110,000 |
| 17 | Teaching Quality Evaluation System (Website) | 100,000 |
| 18 | Graduate Management System (Website) | 90,000 |
| 19 | Teaching Place Management System (Website) | 80,000 |
| 20 | Daily Office Management System (Website) | 230,000 |
| 21 | Administrative Affairs Management System (Website) | 190,000 |
| 22 | Personnel Schedule Management System (Website) | 170,000 |
| 23 | Teaching Materials Management System (Website) | 190,000 |
| 24 | Courseware Management System (Website) | 170,000 |
| 25 | Test Library Management System (Website) | 200,000 |
| 26 | Engagement Management System (Website) | 100,000 |
| 27 | Faculty Management System (Website) | 70,000 |
| 28 | Attendance Management System (Website) | 90,000 |
| 29 | Wage Management System (Website) | 110,000 |
| 30 | Personnel Performance Assessment Management System (Website) | 130,000 |
| 31 | Recording and Playing Management System (Website, iOS, android) | 140,000 |
| 32 | Campus IOT Management System (Website) | 150,000 |
| 33 | Course Direct Broadcast Management System (Website, iOS, android) | 160,000 |
| 34 | Campus Student Interaction Community (Website, iOS, android) | 160,000 |
| 35 | Campus Academic Exchange Community (Website, iOS, android) | 130,000 |
| 36 | Total | <u><u>4,650,000</u></u> |

Summary Table of List of Construction of Smart Classroom

| SN | Item Name | Price (Yuan) |
|-----------|--|---------------------|
| 1 | Multimedia System | 384,750 |
| 2 | Recording and Playing System | 506,325 |
| 3 | IOT System | 429,850 |
| 4 | Classroom Cloud Desktop | 179,435 |
| 5 | Wireless Network Coverage | 409,008 |
| 6 | Language Lab | 1,510,560 |
| 7 | Amphitheatre | 282,275 |
| 8 | Academic Report Hall (Multimedia Part) | 133,590 |
| 9 | Comprehensive Wiring System | 460,000 |
| 10 | Total | <u>4,295,793</u> |

Summary Table of List of Construction of Hospitality Management Specialty Lab

| SN | Item Name | Price (Yuan) |
|-----------|-----------------------|---------------------|
| 1 | Decoration | 1,024,000 |
| 2 | Chinese Food Banquet | 778,154 |
| 3 | Lobby | 536,860 |
| 4 | Leisure | 488,640 |
| 5 | Sensory Training Room | 1,034,400 |
| | Total | <u>3,862,054</u> |

Summary Table of List of Construction of Business Experiment Center

| SN | Item Name | Price (Yuan) |
|-----------|--|----------------------|
| 1 | Indoor Decoration Installation Engineering of Business Experiment Center | 2,157,232.31 |
| 2 | Hardware Equipment of Business Experiment Center | 3,590,730 |
| 3 | Software Teaching Resources of Business Experiment Center | 8,505,000 |
| | Total | <u>14,252,962.31</u> |

Fuzhou Melbourne Polytechnic
Smart Campus Project Supplementary Agreement

Party A: Fuzhou Melbourne Polytechnic

Address: No. 199, Xiyuangong Road, Minhou College Town, Fuzhou

Tel: 0591-83761763

Party B: China Liberal (Beijing) Education Technology Co., Ltd.

Address: Floor 2, Tower A, Huateng Century HQ Park, Chaoyang District, Beijing Municipality

Tel: 010-65978118

Party A and Party B have signed Smart Campus Project Agreement of Fuzhou Melbourne Polytechnic on August 29, 2017. During the performance of the agreement, Because the construction conditions of a part of planned items are not mature or the circumstances change, Party A and Party B have entered into the following supplementary agreement through negotiation in respect of the contents of the original agreement, and shall jointly comply with this supplementary agreement.

I. Subject Matter

The Smart Campus Project shall include big data center, smart classroom, hospitality management specialized lab and business experiment center, see Appendix I for details.

1. Big Data Center

Big data center is a business system cluster based on SAAS mode, and all systems is independently developed by Party B. Because a part of the system has no corresponding campus information portal, individual system has not developed. The Parties finally determine the list of systems of big data center, see Appendix I.

Party B shall complete the development of all system of the big data center and deliver to Party A for acceptance and use prior to December 20, 2018. See Appendix II for the specifications of each system.

After-sales services:

- 1) Party B shall provide the teachers and manager as designated for the training to Party A's customer free of charge, so that Party A can operate the software.
- 2) Party B undertakes to provide upgrade service the software for 4 years (from 2018 to 2021), and shall timely notify Party A's customer after the software upgrade, and shall establish customer archives and provide long-term technical support.
- 3) If Party B fails to provide solution by telephone technology or network remote control method after the receipt of the service request as raised by Party A's customer by telephone about software, Party B shall dispatch special personnel to resolve the problem for Party A's customer on site free of charge.
- 4) During the use of system by Party A, Party B shall not be liable for any data loss or costs increase due to equipment failure, virus infection, etc. If Party A requests Party B to provide on-site service, Party A shall assume the costs arising therefrom.
- 5) The intellectual property right of the software with the characteristics of Fuzhou Melbourne Polytechnic that is independently developed by Party B for Party A in the Smart Campus Project shall be owned by Party A. Without the permission of Party A, Party B may not transfer the use right, and shall protect the intellectual property right of Party A's software. Party B shall open the data port and source code of existing business system and sub-system of Party B to Party A free of charge, with corresponding technical docking.
- 6) If additional service is demanded, the Parties shall otherwise sign development entrustment agreement.

2. Smart Classroom

According to the overall demand of campus construction of the College, Party B will not undertake the purchase, installation or debugging of the multimedia part of academic report hall.

3. Hospitality Management Specialized Lab

In view of the progress of specialized construction of the College, hospitality management specialized lab is suspended. When the construction conditions are mature, Party A may give priority to Party B under the equal conditions.

4. Business Experiment Center

In order to better adapt to the demands of modern teaching, during the construction of the Project, the Parties choose the server and computer of the higher configuration through negotiation, and change the original lifting desks to piano baking rolling desks. Meanwhile, the Parties adjust the list of ancillary practical software according to the courses arrangement of Party A's talent cultivation scheme, see Appendix II for details.

5. Operation and Maintenance Services

Because a part of the Smart Campus Project has been completed in 2017, Party B will provide 4 years project operation and maintenance services hereunder as from 2018. The operation and maintenance services include:

- 1) During the warranty period, Party B must provide repair or replacement services free of charge in respect of the hardware failure due to quality problem, wear of consumable part or other non-artificial cause. In respect of the damage of part due to artificial cause, Party B will charge corresponding expenses at cost price.
- 2) During the operation and maintenance period, at the request of Party A, Party B may dispatch personnel to the College for the purpose of tracking and maintaining software and hardware according to the reality.
- 3) During the operation and maintenance period, if after the update of teaching software of the College, the requirements for hardware change or hardware failure happens with increasing frequency, Party B shall timely update corresponding hardware but only charge the cost price of hardware; moreover, the configuration of hardware shall be no less than that of current market mainstream, so as to ensure that the College can normally conduct teaching activities.
- 4) During the operation and maintenance period, if Party A changes the operating process or adjusts demand in respect of the Smart Campus system as developed by Party B, Party B may adjust the software design and keep consistent update and optimization only at cost price, so as to ensure the high efficiency operating of the system.
- 5) During the operation and maintenance period, Party B shall guarantee the security of data and timely make backup, so as to avoid any leakage.
- 6) In order to ensure the normal and high efficiency use of the system, Party B may, according to the written requirements of Party A, regularly provide the routing inspection and optimization proposal about relevant hardware and software twice a year.

II. Contract Price and Payment Method

1. Contract Price

According to the original agreement, the total price of Smart Campus Project Contract is RMB 25,000,000. In consideration of any increase or decrease in the items as listed in Article I hereof, the total price of Smart Campus Project Contract is adjusted as RMB 16,683,538.65. See Appendix for the amount of each item.

According to the adjustment of actual construction project, the operation and maintenance fee of Smart Campus is now adjusted as RMB 1,042,938 in 2018 and RMB 1,334,683 every year from 2019 to 2021. Therefore, the total operation and maintenance fee is RMB 5,046,987 in total.

2. Payment Method

The payment time and amount of Smart Campus Project are as follows:

- (1) Party A shall pay ¥1,042,938 (in words: RMB one million forty two thousand nine hundred and thirty eight) prior to December 20, 2018.
- (2) Party A shall pay ¥6,895,862.55 (in words: RMB six million eight hundred and ninety five thousand eight hundred and sixty two point five five) prior to December 20, 2019, which includes contract price ¥5,561,179.55 (in words: RMB five million five hundred and sixty one thousand one hundred and seventy nine point five five) and operation and maintenance fee ¥1,334,683 (in words: RMB one million three hundred and thirty four thousand six hundred and eighty three).
- (3) Party A shall pay ¥6,895,862.55 (in words: RMB six million eight hundred and ninety five thousand eight hundred and sixty two point five five) prior to December 20, 2020, which includes contract price ¥5,561,179.55 (in words: RMB five million five hundred and sixty one thousand one hundred and seventy nine point five five) and operation and maintenance fee ¥1,334,683 (in words: RMB one million three hundred and thirty four thousand six hundred and eighty three).
- (4) Party A shall pay ¥6,895,862.55 (in words: RMB six million eight hundred and ninety five thousand eight hundred and sixty two point five five) prior to December 20, 2021, which includes contract price ¥5,561,179.55 (in words: RMB five million five hundred and sixty one thousand one hundred and seventy nine point five five) and operation and maintenance fee ¥1,334,683 (in words: RMB one million three hundred and thirty four thousand six hundred and eighty three).

III. Effectiveness

1. The original agreement and this Supplementary Agreement shall expire on December 31, 2021.
2. This Agreement is made in four originals of the same legal force, two for each party hereto. This Agreement shall become effective upon being signed by the authorized representatives of the Parties.

(No Text Below)

(This page is the execution page to *Smart Campus Project Supplementary Agreement*)

Party A: Fuzhou Melbourne Polytechnic

Representative: (Signature)

Date: December 18, 2018

Fuzhou Melbourne Polytechnic (Seal)



Party B: China Liberal (Beijing) Education Technology Co., Ltd.

Representative: (Signature)

Date: December 18, 2018

Special Contract Seal of China Liberal (Beijing)
Education Technology Co., Ltd. (Seal)



Appendix I: Summary Table of List of Items

| <u>SN</u> | <u>Item Name</u> | <u>Amount (Yuan)</u> |
|-----------|----------------------------|----------------------|
| 1 | Big Data Center | 3,740,000 |
| 2 | Smart Classroom | 3,231,315 |
| 3 | Business Experiment Center | 8,325,415.94 |
| 4 | Service Fee | 1,386,807.71 |
| | Total | <u>16,683,538.65</u> |

List of Software of Big Data Center

| System Name | Sub-system Name | Total Price (Yuan) |
|------------------------------------|--|---------------------------|
| Mobile Online Learning System | Mobile Online Operation System | 120,000 |
| | Mobile Online Exam System | 130,000 |
| | Spoken Language Repeat Practice System | 130,000 |
| | Student Error Book Management System | 90,000 |
| | Teacher Online Correction System | 100,000 |
| | Student Learning Trajectory Management | 110,000 |
| | Mobile Online Classroom Interaction System | 140,000 |
| Teaching Affairs Management System | Smart Test Assembly System | 100,000 |
| | Student Courses Election System (Website) | 140,000 |
| | Student Transcript Inquiry System | 120,000 |
| | Classroom Reservation System | 130,000 |
| | Smart Course Arrangement System | 128,000 |
| | Smart Exam Arrangement System | 182,000 |
| | School Rolls Management System | 140,000 |
| | Teachers Management System | 120,000 |
| | Practical Teaching Management System | 110,000 |
| | Teaching Quality Evaluation System | 100,000 |
| | Graduate Management System | 90,000 |
| Teaching Place Management System | 80,000 | |
| Office OA System | Daily Office Management System | 230,000 |
| | Administrative Affairs Management System | 190,000 |
| Teaching Resources Library System | Teaching Materials Management System | 190,000 |
| | Courseware Management System | 170,000 |
| | Test Library Management System | 200,000 |
| Personnel System | Engagement Management System | 100,000 |
| | Faculty Management System | 70,000 |
| | Attendance Management System | 90,000 |
| | Wage Management System | 110,000 |
| | Personnel Performance Assessment Management System | 130,000 |
| | Subtotal | 3,740,000 |

Summary Table of List of Construction of Smart Classroom

| SN | Item Name | Price (Yuan) |
|-----------|------------------------------|---------------------|
| 1 | Multimedia System | 357,840 |
| 2 | Recording and Playing System | 416,225 |
| 3 | IOT System | 300,000 |
| 4 | Classroom Cloud Desktop | 158,000 |
| 5 | Wireless Network Coverage | 160,000 |
| 6 | Language Lab | 1,170,000 |
| 7 | Amphitheatre | 269,250 |
| 8 | Comprehensive Wiring System | 400,000 |
| | Total | 3,231,315 |

Summary Table of List of Construction of Business Experiment Center

| SN | Item Name | Price (Yuan) |
|-----------|--|---------------------|
| 1 | Indoor Decoration Installation Engineering of Business Experiment Center | 1,453,070 |
| 2 | Hardware Equipment of Business Experiment Center | 4,055,345.94 |
| 3 | Software Teaching Resources of Business Experiment Center | 2,817,000 |
| | Total | 8,325,415.94 |

Appendix II Detailed Parameters of Each Item

Self-funded Overseas Study Service Agreement

Party A (Self-funded Overseas Study Applicant):

ID Card No.:

Custodian:

Tel:

Party B: China Liberal (Beijing) Education Technology Co., Ltd.

Address:

Contact:

Tel:

In order to safeguard the legitimate rights and interests of Party A and Party B, and according to *Contract Law of the People's Republic of China* and relevant laws and regulations, and based on the principles of voluntariness, equality, negotiation and consensus, Party A and Party B have entered into the following agreement in respect of Party B being entrusted by Party A to provide self-funded overseas study and relevant ancillary program service:

(I) Service Project and Fee

1. Party A applies for _____ overseas study project.
2. Main service contents of Party B: overseas study consulting and visa service, overseas service, one-to-one language course, one-to-one art course.
3. Party A agrees to pay the service fee to Party B in lump sum after the signing of this Agreement, namely RMB _____ in total.

(II) Party B's Obligations

4. Overseas study consulting and visa service

- (1) Party B shall introduce the details, optional colleges and universities and majors of Italian art foundation overseas study project to Party A,
- (2) Party B shall assist and guide Party A in preparing the relevant materials of admission application; Party B shall handle the procedures of admission application for Party A, and shall guide Party A to pay enrollment fee, tuition and sundry fees, etc.
- (3) Party B shall guide Party A to prepare for visa application, and assist Party A in handling visa or entry approval documents.
- (4) Party B shall keep all materials provided by Party A confidential, and may not disclose to any unrelated third party, except for the purpose of the admission application and visa application of Party A.

5. Overseas service

- (1) Party B may provide compensated overseas services to Party A.
- (2) Overseas services include picking up at the airport of destination, arranging accommodation (reserving student dormitory/hotel), leading Party A to handle registration according to the local regulations, opening an account in bank, introducing the local daily living common knowledge, etc.

6. Language course and art course

- (1) Party B shall customize program system and matching teaching and guidance materials according to the admission requirements of Italian art colleges and universities of Italian art foundation overseas study project.
- (2) Party B shall provide the place necessary for study and qualified teaching personnel.
- (3) Language course and art course generally adopt one-to-one mode.

(III) Party A's Obligations

7. Party A shall conform to the conditions of Chinese citizen self-funded overseas study, and comply with the national regulations about citizen self-funded overseas study.
8. Party A shall guarantee that all documents and materials by Party A and all contents stated by Party A shall be lawful, true and valid.
9. Party A shall submit all materials necessary for overseas study application to Party B within the time as required by Party B.
10. During the process of handling overseas study application, if any change happens to the overseas study policy or visa policy of the country of destination or the admission requirements of the college applied for, Party A shall timely provide supplementary materials according to the new requirements.
11. During the process of handling overseas study application, if the embassy (consulate) of the country of destination in China requires interviewing Party A, Party A shall participate in interview as required.
12. Party A shall complete the training of language course and/or art course within the time as required by Party B.
13. Party A shall timely pay the service fee as specified herein to Party B; Party A shall pay enrollment fee, tuition and sundry fees to overseas college according to the time as notified by Party B, and shall timely notify Party B of the payment results.

(IV) Liabilities for Breach

14. Party B and Party A shall perform all provisions of this Agreement; breaching party shall assume corresponding liabilities for breach.
15. If Party A fails to participate in the training of language course and/or art course within the time as required by Party B, all program fee will not be refunded; in such case, Party A cannot meet the visa application requirements of Italian Art foundation overseas study project, and the relevant service fee that has been charged will not be refunded.
16. If this Agreement cannot be performed due to any false documents or materials provided by Party A, the service fee that has been charged will not be refunded.
17. Within the period from the date of signing of this Agreement to the date when Party A has obtained the visa, if Party A requires dissolving this Agreement due to Party A's own cause, the service fee that has been charged by Party B will not be refunded.

(V) Force Majeure

- 18. If the performance of this Agreement cannot be continued due to force majeure, all or a part of liabilities may be exempted according to the impact of the force majeure, except as otherwise stated by law. If force majeure happens after either party delays in performing, such party may not be exempted from the liabilities. For the purpose of this Agreement, force majeure refers to the objective circumstance that is unforeseeable, unavoidable and insuperable, such as serious natural disaster, plague, war, riot, etc.
- 19. If either party is prevented from performing this Agreement due to force majeure, it shall immediately send a notice to the other party, stating the date of occurrence, nature, estimated duration of the force majeure and the impact on the performance of this Agreement by the impacted party, and shall provide a proof within 7 days after the date of occurrence of force majeure.
- 20. The Parties shall timely negotiate over resolutions and remedial measures in respect of the impact caused by force majeure. The impacted party shall try to take reasonable measures to minimize the losses that may be suffered by the other party; otherwise the impacted party shall compensate for the losses as expanded therefore.

(VI) Supplementation, Alteration and Modification of this Agreement

- 21. Any supplementation, alteration or modification of this Agreement shall be made in the form of written supplementary agreement. Such supplementary agreement shall bear the same legal force as this Agreement upon being signed by the Parties.

(VII) Effectiveness and Termination

- 22. This Agreement shall become effective upon being signed and sealed by Party A or his/her custodian and Party B.
- 23. This Agreement is made in two originals of the same legal force, one for each party hereto.
- 24. This Agreement shall be terminated as soon as the Parties have completed all of their respective rights and obligations hereunder.

| | |
|------------|---|
| Party A | Party B: China Liberal (Beijing) Education Technology Co., Ltd. |
| Signature: | Representative (Signature): |
| Date: | Date |

Cooperation Agreement on German Language Program

between

Beijing Foreign Studies University Tongwen Educational Center

and

China Liberal Education Technology Development Co., Ltd.

January 2019

Agreement No. XYZ No. 2019002

Cooperation Agreement on German Language Study Abroad Program

In order to promote the internationalization of Chinese education, provide more international education programs that meet the demand of talent development for society, and in line with the principles of strong and win-win cooperation and revenue sharing, Beijing Foreign Studies University Tongwen Educational Center and China Liberal Education Technology Development Co.,Ltd. have reached the following agreement upon full consultation, and both parties shall strictly abide by the principles and carry out activities under the Agreement.

Article I Parties to the Agreement

Party A: Beijing Foreign Studies University Tongwen Educational Center

Address: No.2, Xisanhuan North Road, Haidian District, Beijing

Legal Representative: Gao, Xiaodong

Contact person: Yao, Shengfeng

Contact number: (010) 8881 8388

Party B: China Liberal Education Technology Development Co.,Ltd.

Address: Room A-1301, Floor 2, Building 3, No.30 Yard, Shixing Street, Shijingshan District, Beijing

Legal Representative: Lin, Yiyi

Contact: Tang, Ming

Contact number: 1381 0948 989

Article II Introduction to both Parties

- I. Party A is an independent legal entity directly under Beijing Foreign Studies University, which conducts admission, teaching and management of preparatory training for studying abroad in the name of "Continuing Education College of Beijing Foreign Studies University" and "Training Department of Study Abroad Candidates of Beijing Foreign Studies University".
- II. Party B is a well-known international education service organization in China with a good social reputation.

Article III. Contents and principles of cooperation

- I. In addition to the independent admission by Party A, Party A authorizes Party B to act as an agent for admission of students who apply for German Language Program and student's application for foreign university, study abroad service and visa application for the German Language Program established by Party A. The German Language Study Abroad Program shall be run at the less popular language campus of Beijing Foreign Studies University (Zizhuyuan Campus); Party B shall not collect any fees from any third party in the name of admission or Party A.

- II. Party A shall be responsible for teaching management, student management, teaching hardware and faculty of German Language Study Abroad Program.
- III. Party B shall not, at any time and under any circumstance, be entitled to enter into any agreement or contract or relevant Letter of Authorized Intent with any institution or individual on behalf of or in the name of Party A (unless an agreement is otherwise signed); Party B shall not engage in any other activities in the name of Party A, which are irrelevant to the cooperation program or beyond the scope of cooperation (unless an agreement is otherwise signed).
- IV. Party B shall not use any network or print media such as text, audio, video, website, WeChat official account, which are relevant to Party A's identity and open to the public without the written consent of Party A.; Party B shall not list Party A as a business institution related to Party B. The name authorized by Party A to Party B shall not be listed as a cooperation organization of an affiliate of Party B without Party A's consent.
- IV. Within 10 working days upon signing the Agreement, Party B shall pay Party A a deposit of RMB 200,000 Yuan (In words: RMB two hundred thousand Yuan only), which shall be refunded to Party B within 10 working days upon termination of the cooperation as determined by both parties, provided that Party B does not breach any provision under the Agreement. If Party B breaches the Agreement during the cooperation period, Party A may unilaterally deduct corresponding amount of deposit paid by Party B in accordance with the provisions of the Agreement.

The above clauses are fundamental clauses, and any breach of contract by either party shall be deemed as a fundamental breach of contract, who shall be liable for the breach as specified under the Agreement, and shall bear all direct and indirect losses caused to the non-breaching party by the breach of contract.

Article 4 Rights and responsibilities of both Parties

- I. Rights and responsibilities of Party A
 1. Party A authorizes Party B to act as the agent for admission, university application and visa services for German Language Study Abroad Program; Party A shall not seek to enter into cooperation agreements with other institutions on similar German study abroad program that is signed with Party B during the validity period of the Agreement.
 2. Party B shall be entitled to supervise and guide Party B's admission, university application and visa service process; and be entitled to review all public admission information released by Party B.
 3. Party B shall be entitled to finally decide the admission of students recruited by Party B, and obligated to issue a Acceptance Letter to any student who meets the admission requirements, and whom recruited by Party B.

4. Party A shall be obliged to pay Party B the commission for admission service, university application fees and visa services fees in accordance with the provisions of the Agreement.
5. The teaching plan for which Party A is responsible is limited to course design and teaching hours. Other objective reasons, such as whether the teaching objectives can meet the standards for studying abroad, the scores obtained by the students in the academic tests organized by a third party, the students' knowledge base and learning attitude, etc., can not be completely controlled by Party A, for which Party A shall not bear any responsibility or loss caused to Party B or all the students in the program.
6. Party A shall be obliged to provide students with the necessary documents such as Certificate of Full Time Student and transcripts, etc. to support their successful application to universities abroad. However, as a teaching unit, Party A does not and will not revise any marks on transcripts nor issue false transcripts.

II. Rights and responsibilities of Party B

1. Party B shall be entitled to obtain admission service commission, university application fees, visa services fees and rebates from foreign universities in accordance with the provisions of the Agreement.
2. Party B shall be entitled to publicize and recruit students in the name authorized by Party A upon confirmation by Party A; and maintain Party A's reputation and brand image during the cooperation and upon termination of cooperation, and bear any direct and indirect loss caused to Party A as a result thereof.
3. Party B shall be obligated to bear all the expenses involved in the program promotion, publicity and admission process (such as transportation expenses, site costs, publicity expenses, personnel remuneration, etc.), and bear the economic and legal liabilities arising thereof.
4. Party B shall be obliged to accept supervision and management by Party A to admission work within the validity period of the Agreement, carry out the admission in a practical approach, and undertake not to make any false, exaggerated publicity or unauthorized commitment. All admission information shall be subject to Party A's public information or information reviewed by Party A, and shall solely bear all consequences caused by negligence or false publicity of admission.
5. Party A entrusts Party B to handle university application and visa service for students, and Party B shall ensure to provide a professional team and maintain a good service attitude and do its best to serve students. Party B shall be liable for any loss and compensation caused to the students by the failure of university application or visa service due to Party B's own reasons or negligence in work. If Party A advances for any compensation and loss, Party A may recover the advance from Party B.

Article 5 Financial provisions

I. Tuition rate

1. Both Parties confirm the following rates for the German Language Program:

1) One-year tuition: 58,000.00 Yuan/Student/Academic year; Accommodation: 8000 Yuan/Student.

2) University application and visa service fees: 15,000 Yuan/Student.

2. Within the validity period of the Agreement, Party A shall be entitled to adjust the rate of tuition, accommodation fees, university application fees and visa service fees unilaterally in accordance with the overall market situation and the program implementation status.

II. Agreement on number of enrolled students: Both parties confirm that the minimum number of students enrolled in each German Language Study Abroad Program shall be 20.

III. Settlement standard for admission service fees is as follows

1. Payment standard of admission agency fee

1) Party B shall receive 36% of the total tuitions paid by all students enrolled in the German Language Program when the number of students enrolled in the Program reaches or exceeds 30 or more each year.

2) Party B shall receive 34% of the total tuitions paid by all students enrolled in the German Language Program when the number of students enrolled in the Program reaches or exceeds 25 or more each year.

3) Party B shall receive 30% of the total tuitions paid by all students enrolled in the German Language Program when the number of students enrolled in the Program reaches or exceeds 20 or more each year.

4) Party B shall receive 28% of the total tuition fees paid by all students enrolled in the German Language Program when the number of students enrolled in the Program reaches or exceeds 15 per year.

5) If the number of students enrolled in the German Language Program by Party B is less than 15 (excluding) per year, the admission service fee of Party B shall be reduced by 2% for each decrease of student number in accordance with the standard of 15 students.

IV. Calculation method of admission service fees

1. Party B shall guarantee that the admitted students shall pay a deposit of RMB 8,000 Yuan to the account designated by Party A prior to the official start date of each academic term under the guidance of Party B, and shall make full payment upon student registration. The student shall be counted as a completed case of service for Party B if there is no refund within one month upon official start date of an academic term.

Note: The deposit paid by students may be offset against the tuition of the same amount upon student registration. If a student fails to enroll in any program of Party A, the fee shall be refunded to the payer.

2. If the student fails to pay the deposit through Party B, or in case of any conflict with Party A's independent admission or other admission agency, Party B shall waive the admission service fee even if there is evidence that Party B has participated in the whole consultation process and the student finally pays the deposit or the full payment to Party A through another institution, and the student shall be deemed as a candidate recruited by this institution.
3. The settlement date of admission service fee shall be 45-55 days upon official start date of an academic term of the enrolled students. Party A shall pay Party B 90% of the current year's admission service fee within 20 working days upon confirmation of the number of student enrollment in writing. The second settlement shall be made within 30 working days upon the official start date of the second academic term.

Note: If there is any refund prior to the second settlement, Party A shall settle the account upon deduction of the refund proportion to be borne by Party B.

V. Tuition refund standard

1. All the students recruited by Party B must comply with the refund system formulated by Party A. If an academic term starts for less than two weeks, Party A shall refund 90% of the tuitions to a student who requests to drop out. Within one month upon start of an academic term, Party A shall refund 70% of the tuitions to a student who requests to drop out. In principle, Party A shall not bear the obligation of refund (except in special cases) when a student requests to drop out one month upon start of an academic term.
2. Both parties agree that in the event of refund, the following standard shall apply: Party B shall not be entitled to any admission service fee when a refund for a student occurs within one month upon start of an academic term. Party A shall pay Party B 15% of the deducted amount as the admission agent fee in case of refund in special circumstances after one month upon start of an academic term. Party A shall deduct the refund amount to be borne by Party B at the second settlement.

VI. Settlement standard and payment method of information fee (if any)

1. Where Party A provides Party B with the list of students with overseas study intention and information via its own resources, and Party B collects the tuition payment by any student upon in-depth consultation and follow-up, Party B shall be obliged to pay Party A 25% of the total tuitions paid by the student as Party A's information fee, which may be offset against the settlement when both parties settle the account.
2. In order to avoid the conflict between the source of students recommended by Party A and that recommended by other cooperative organizations similar to Party A, both parties agree that the settlement shall be made in accordance with the standards formulated by Party B, namely, Party B shall identify a student source recommended by the cooperative organization in accordance with the student information (name, effective contact information) submitted to Party B in order of time (accurate to minute) for all cooperative organizations of the same or similar nature to Party A.

VII. Settlement standard and method of student service fees (if any)

1. Party A shall collect the commissions for university application and visa service involved in the German Language Program.
2. University application and visa service fees rates
 - 1) The university application service fee for the German Language Study Abroad Program is RMB 10,000 Yuan/Student (In words: RMB 10,000 Yuan only).
 - 2) Student visa service fee for German Language Study Abroad Program is RMB 5,000 Yuan/Student (In words: RMB 5,000 Yuan only).
3. Settlement standard and method of student service fees
 - 1) After Party A deducts 30% of the total payment of university application service fee made by the students, the remaining part shall be obtained by Party B.
 - 2) By December 30 of each year, Party A shall pay Party B 60% of the total payment of university application service fee. Within 10 working days after all the current students have received the Acceptance Letter of university (including the Acceptance Letters for language courses or preparatory courses), Party A shall pay the remaining 40% of application service fee to Party B, and Party A shall pay the visa service fee to Party B in a lump sum within 10 working days after the students have obtained the official visa.
 - 3) Party B shall refund the service fees to Party A if any student fails to be accepted by any university or fails to obtain a visa.

VIII. Settlement standard and method for rebates of the foreign university (if any)

1. Party B may integrate its own resources to recommend quality overseas universities to Party A for academic cooperation. After Party A and Party B conclude an academic or cooperative agreement, the university shall be deemed as the overseas study resources that Party B expands for Party A. If the recommended foreign university formally signs an agreement with Party A or a confirmation letter has been issued by the foreign university, Party B undertakes not to recommend the foreign university to other schools of Beijing Foreign Studies University, otherwise it will be regarded as a fundamental breach of contract.
2. Where Party A's students (including those not recruited by Party B) are finally provided with university application and visa services by Party B, and the foreign cooperative university shall have a rebate, both parties shall receive 50% of the total rebate by the foreign university. The settlement time by both parties shall be within three calendar months after the students enroll in the foreign university.
3. If Party A has an evidence to show that the rebate of a foreign university exceeds the proportion or amount of the rebate of the foreign university reported by Party B, Party A shall be entitled to terminate the agreement immediately without any liability.

IX. Payment instruction

1. Party A shall use the financial account of Beijing Foreign Studies University Tongwen Educational Center to settle the admission service fee and information service fee; in the settlement of university application and visa service fee, and Party A use the financial account of BFSU (Beijing) International Cultural Exchange Co., Ltd., the company to which Party A belongs, to settle any rebate by the foreign university.
2. The name of the financial account used by Party B shall be the same as the name of the company sealing and signing the Agreement, otherwise Party A shall not settle the payment.
3. Each party shall bear the corresponding taxes.

X. Financial settlement account information

1. Party A's settlement account information

Account name: Beijing Foreign Studies University Tongwen Educational Center

Bank of deposit: Bank of Communications Wanliu Sub-branch

Account No.:

Identification No.:

Account name: BFSU (Beijing) International Cultural Exchange Co., Ltd

Bank of deposit: China Construction Bank Beijing Foreign Studies University Sub-branch

Account No.:

Identification No.:

2. Party B's settlement account information

Name of account: China Liberal Education Technology Development Co.,Ltd.

Opening Bank: Bank of Communications Beijing Haidian Sub-branch

Account No.:

Article 6 Breach of contract

- I. If either party breaches the Agreement and causes any loss to the other party, remedial measures shall be taken in the first place and compensation shall be paid accordingly.

- II. Both parties shall, in good faith and in accordance with the provisions of the Agreement, pay the other party the proceeds due, and in special circumstances shall communicate with the other party in advance, and the payment may be postponed with the understanding of the non-breaching party. The non-breaching party shall be exempted from liability if the the other party fails to comply with the provisions of the Agreement. If there is no fundamental reason or the reason is not understood by the non-breaching party, the breaching party shall pay a overdue fine to the non-breaching party at a rate of three-thousandth of the payment per day.
- III. When Party B breaches the fundamental clause, which is discovered by Party A, Party A may unilaterally make a decision to punish Party B with a penalty of RMB 100,000 Yuan per time. Party A may directly deduct the penalty from Party B's admission service fee and other fees. If the paid fee is insufficient to cover the penalty, Party A shall be entitled to claim the penalty against Party B. If Party B breaches the Agreement twice or more, Party A may terminate the Agreement immediately and unilaterally, and shall not pay any fee to Party B, and shall be entitled to claim any direct and indirect loss caused to Party A by Party B's breach of the Agreement.
- IV. If either party seriously breaches the Agreement and causes any loss to the other party, the non-breaching party shall be entitled to claim the legal liability and economic compensation against the breaching party.

Article 7 Termination

- I. Under any circumstances, in the event of termination of the Agreement, Party B shall not engage in any activities in the name authorized by Party A from the date upon termination of the Agreement. Within 2 days, Party B shall remove and replace all the signs, exhibits, audio and video materials, website information representing Party A's identity and return all the materials belonging to Party A, otherwise Party B shall be deemed as breaching the fundamental clause of the Agreement, which shall not be affected by the termination of the Agreement. Party A shall be entitled to claim legal liability and responsibility of compensation against Party B's for any direct and indirect loss caused to Party A.
- II. Within the validity period of the Agreement, Party A and Party B may terminate the Agreement in advance upon consensus through negotiation and confirmation in writing.
- III. If either Party A or Party B breaches the provisions of the Agreement, the Non-breaching Party may terminate the Agreement unilaterally if the Non-breaching Party fails to take any remedial measures or make any correction within 10 days after the Non-breaching Party raises objection, or the Non-breaching Party repeats the breach of contract.
- IV. Party B fails to perform the provisions of the Agreement with all due diligence during the validity of the Agreement; Party A shall be entitled to terminate the Agreement unilaterally if there is no obvious admission activity upon commencement of April each year.

Article 8 Effectiveness of the Agreement

- I. The Agreement shall be made in duplicate, one for each Party, and shall come into effect upon signatures and seals. If Party B is able to complete the minimum enrollment number every year and strictly comply with the provisions of the Agreement, the Agreement shall be automatically extended for another year, but not be extended for more than three years. If both parties continue to cooperate after the third year, a new cooperation agreement shall be signed.
- II. Upon expiration or early termination of the Agreement, Party A and Party B shall each assume responsibility for the started program until the program conclusion.
- III. The exchange of information between the two Parties may be conducted in the following manner: Any information that requires confirmation in writing as provided in the Agreement must be confirmed in writing; Other information that not explicitly requires conformation methods may be confirmed through other means such as QQ, WeChat chat records, and e-mail correspondences, which communication records can be used as direct evidence.
5. Upon termination of the Agreement, unless otherwise agreed in the Appendix, all the Appendixes hereto shall be terminated simultaneously.

Article 9 Dispute resolution

If any matter that not stipulated or covered in the agreement during the execution process occurs, both parties shall settle the matter through consultation, and sign a supplementary agreement upon consensus. If any conflict occurs between the Appendix and the Agreement, the Appendix shall prevail. If any negotiation fails, either party may file a lawsuit for resolution to the people's court of the place where Party A is located.

- End of text -

Party A: Beijing Foreign Studies University
Tongwen Educational Center

Signature and seal:

Legal representative (Signature): Gao, Xiaodong

Date of signature: January 22nd, 2019



Party B: China Liberal Education Technology Development
Co., Ltd.

Signature and seal:

Legal representative (Signature): Lin, Yiyi

Date of signature: January 22nd, 2019



Contract

Project Name: Co-construction of International Platform for Aesthetic Education Management Community

Client (Party A): China Liberal Education Technology Co., Ltd.

Trustee (Party B): School of Arts Administration and Education of China Academy of Art

Signing Date: November 9, 2018

Term of Validity: November 9, 2018 to November 9, 2021

This Contract is entered into by and between the parties through negotiation in accordance with the Contract Law of the People's Republic of China.

I. Project Name, Content and Requirements

Project Name: Co-construction of International Platform for Aesthetic Education Management Community

Project Content:

1. Establishment of a talent cultivation fund

Within the term of this Contract, Party A shall provide Party B with a talent cultivation fund of no less than RMB 200,000 every 12 months (mainly used as expenses for construction of international education platform for art management, scientific research, scholarship and grants for outstanding students, professional project workshops and scientific research for professional teachers, etc., which are agreed upon by the parties in writing).

2. International talent training platform

Promote the construction of talent research and study channels, provide professional consulting services for students studying in foreign art colleges and universities, and set up an "international talent training platform". Organize outstanding undergraduate and graduate students for study tours and short-term visits, inspect art colleges, art institutions and museums, establish inter-school "overseas internship and training platform", and carry out international practice activities.

3. School-enterprise cooperation professional education laboratory

According to professional needs, set up characteristic professional studios with European and American art colleges and universities to carry out professional exchanges, carry out professional co-construction activities and hold academic seminars. Regularly carry out exchange visits and learning activities with art colleges and universities in Europe and the United States. At the same time, hold "contemporary art lectures" for teachers in domestic colleges and universities to build a national platform for art education and social practice. Construct an incubator for arts management and education workers.

Project Requirements:

1. Joint establishment of an art innovation platform and an international talent training platform

1) Party A and Party B shall set up an "international co-construction platform of aesthetic education management community". The parties agree to use the name of the co-construction platform in the information released to the public and carry out the three tasks mentioned above.

2) Party A, as Party B's partner, shall actively cooperate with Party B in its work. The parties shall be responsible for the operation of the "international talent training platform" and carry out talent training both on and off campus.

2. Establishment of a talent training fund

1) According to the agreement between the parties, Party A shall provide not less than RMB 200,000 per year (every 12 months). In order to facilitate management, reduce turnover time and improve work efficiency, the method for the payment and allocation of funds is as follows: RMB 120,000 shall be transferred to the designated account of China Academy of Art, and the remaining RMB 80,000, used for special projects every year, shall be temporarily kept by China Liberal Education Technology Co., Ltd. and supervised by the project leader of China Academy of Art. It shall be used for special projects approved by the parties through negotiation. In 2018, it shall be used for the project of “the 13th Annual Meeting of China Arts Administration Education Association 2018-National College Students Art Project Creative Competition”.

2) The use of funds in the designated account of China Academy of Art shall be subject to the reimbursement regulations of China Academy of Art. The amount for special projects shall be jointly managed by the project leaders designated by the parties respectively. Each expense shall be recognized by the parties and only be used upon being signed by the parties.

3) Both parties shall have the right to supervise and manage the use of the “talent training fund”.

4) Details of expenditure

Expenditure details of RMB 120,000 (unit: '0000)

| | | | | | |
|---|---|-------------------------------|-----|--|-----|
| Equipment costs | 2 | Material expenses | 2 | Service charges | 1.2 |
| Travel expenses | 1 | Conference expenses | 1.3 | Collaboration and communication expenses | 2 |
| Dissemination of published literature information | 2 | Books and reference materials | 0.5 | | |

Expenditure details of RMB 80,000 (unit: '0000)

| | | | | | |
|---|---|-------------------|-----|--------------------|-----|
| Travel expenses | 3 | Material expenses | 0.7 | Expert consultancy | 0.5 |
| Dissemination of published literature information | 2 | Service charges | 0.8 | | |

3. Organization of “the 13th Annual Meeting of China Arts Administration Education Association 2018-National College Students Art Project Creative Competition”:

1) The parties shall jointly undertake the organization of “the 13th Annual Meeting of China Arts Administration Education Association 2018-National College Students Art Project Creative Competition”.

2) In 2018, the “talent training fund” of RMB 80,000 shall be used for the sponsorship fee.

3) Party B guarantees that Party A has the right of authorship of the sponsor of “the 13th Annual Meeting of China Arts Administration Education Association 2018-National College Students Art Project Creative Competition”.

4. Cooperation

1) Under the guidance of “the Belt and Road” policy, the parties shall establish an “overseas internship and training platform” in Italy, Germany, Spain, Britain, America and other countries upon the execution of this Contract, and carry out exchange visits of scholars, laboratory construction, etc.

2) Establish relevant institutions for overseas colleges and universities that are interested in learning Chinese art and Chinese language and literature.

3) Jointly recruit outstanding students for the “international talent training platform”, and cultivate artistic talents with international vision and professional level.

4) The projects carried out with the talent cultivation fund, including but not limited to mutual visits of teachers, academic exchanges, short-term visits, study tours and meetings, etc., can be handled by Party A with the consent of Party B if Party A is able to undertake such projects. The similar or related projects of Party B hereunder not paid by the talent cultivation fund shall be undertaken by Party A preferentially under the same conditions.

II. Working Conditions and Collaboration Matters

Party B shall provide sufficient technical data, data and necessary working conditions, and Party A shall start the work upon confirmation of Party B.

Project Head of Party A: Li Fei

Project Team Members of Party A: Tang Mengyu, Zhai Xinyu, Ye Zhengdong

Project Head of Party B: Shan Zeng

Project Team Members of Party B: Liu Xiao, Zhai Yujia, Zang Zhicheng

III. Time Limit, Place and Method of Performance

This Contract is valid from November 9, 2018 to November 9, 2021.

Mode of performance: cooperation

IV. Remuneration and Payment Method

1. The talent training fund of this project is RMB 200,000, provided by Party A.

2. Payment method

j Total payment per year (every 12 months): RMB 200,000, in which, RMB 120,000 shall be credited to the account designated by China Academy of Arts within three (3) working days after this Contract is officially signed. RMB 80,000 used for special projects shall be temporarily kept by China Liberal Education Technology Co., Ltd. and supervised by the project leader of China Academy of Arts. Party B shall start the work after receiving the payment from Party A.

3. Payment mode cash payment pay by check T/T payment

V. Ownership and Sharing of Project Results

j After the project is appraised in writing by Party A and all the cooperation funds have been paid according to this Contract, the intellectual property rights of the project results shall be jointly owned by the parties, provided that it does not violate the relevant intellectual property laws of China. As for the horizontal research achievements, Party B shall enjoy the right of academic exchange and publication of the project.

, The parties shall negotiate the ownership and sharing of intellectual property rights according to the specific project contents and requirements.

VI. Confidentiality of Technical Information

The parties have established the contractual relationship of confidentiality upon the execution of this Contract and the initial payment of the funds. Either party shall be obliged to keep the technical and business secrets related to this Contract for the other party, and shall not disclose any information deemed as technical or business secrets by the parties to any third party. Party B shall not announce the project results to any third party prior to Party A without permission of Party A.

VII. Dispute Resolution

Any dispute arising from the performance of this Contract shall be settled by the parties through negotiation, or may be submitted to the superior authorities of the parties for mediation.

If the parties are unwilling to negotiate or mediate for settlement, or if negotiation or mediation fails, the parties shall apply to the local arbitration commission for arbitration. Arbitration shall be conducted in accordance with the arbitration rules in effect at the time of applying for arbitration. The arbitral award shall be final and binding upon the parties.

VIII. Miscellaneous

This Contract is made in six counterparts and goes into force upon being signed and stamped by the authorized representatives of the parties and making of the first payment. Party A shall hold two counterparts and Party B shall hold four counterparts with the same legal effect.

Any modifications, supplements or changes of any provision of this Contract shall come into force only after a written agreement is signed and stamped by the parties.

Client (Party A) Unit Name China Liberal Education Technology Co., Ltd. (seal)
Project Head Li Fei (signature) Entrusted Agent (seal)
Contact Person Li Fei Phone
Address 2/F, Building A, HuaTeng Century Park Headquarters, Chaoyang District, Beijing
E-mail
Opening Bank
Account No.

Trustee (Party B) Unit Name School of Arts Administration and Education of China Academy of Art
Project Head Shan Zeng (signature) Entrusted Agent (seal)
Contact Person Shan Zeng Phone
Address Office 202, Building 9, Xiangshan Campus, China Academy of Art, Xiangshan, Zhuantang, Hangzhou, School of Arts Administration and Education of China Academy of Art
E-mail
Opening Bank Industrial and Commercial Bank of China Zhengjiang Hangzhou Hubin Sub-branch
Account No.

Special Seal for Contract of China Liberal Education Technology Co., Ltd. (seal)

China Liberal Education Technology Co., Ltd. (seal)

Recruitment and Training Entrustment Agreement

Party A (Entrusting Party): Beijing Quanqinxiangqian Technology Co., Ltd. (hereinafter referred to as “Quanqing Services”)

Party B (Entrusted Party): Huaxia Boya (Beijing) Education Technology Co., Ltd. (hereinafter referred to as “Huaxia Boya”)

Based on the principles of honest cooperation, equality, voluntariness and compensated services, and according to the relevant national laws, Party A and Party B have entered into the following agreement through negotiation in respect of Party A entrusting enterprise recruitment and training to Party B, and shall jointly comply with this Agreement.

I. Contents of Cooperation:

Party B shall recruit and train technical support engineers and send excellent talents to Party A by the use of Party B’s own vocational college resources and through school-enterprise cooperation. Party A authorizes and entrusts Party B to conduct the school-enterprise cooperation with vocational colleges, and recruit and train 200 technical support engineers in conformity with position requirements in 2019.

II. Party A’s Responsibilities and Duties

1. Party A shall provide job descriptions of positions, job requirements, wages and welfares, etc;
2. Party A shall provide business license, enterprise profile and relevant materials, and other relevant materials as required by cooperative colleges;
3. Party A shall provide interview support in respect of the recruitment propaganda of Party B in cooperative colleges, and shall make preliminary screening;
4. Party A shall establish the assessment standards after the technical support engineer training, and assess the trainees according to such standards after the training;
5. Party A shall receive the potential cooperative colleges that make investigation to Quanqing Services, and introduce the enterprise to them;
6. Party A shall send offer to the trainees who have accepted training and passed assessment, and arrange to handle entry procedures.

III. Party B’s Responsibilities and Duties

1. Party B shall develop cooperative vocational colleges all over the country, and establish 6 enterprise naming classes with cooperative colleges;
2. Party B shall conduct enterprise recruitment propaganda in cooperative colleges, organize campus talks and introduce the relevant circumstances of the enterprise and positions;
3. Party B shall assist Party A in making, or independently make, preliminary interview to potential students;
4. Party B shall organize and implement training according to the training plan and contents as agreed herein;
5. Party B shall notify Party A of the time, number and place of class whenever a training class is to be opened;
6. Party B shall provide the information and relevant evaluation of trainees to Party A after training is over;
7. Party B shall assist Party A in establishing assessment scheme, standards and contents, etc;
8. Party B shall organize the trainee who have been trained to participate in the assessment organized by Party A;
9. Party B and each trainee shall agree that the service period of such trainee in Party A should be no less than 8 months.

IV. Scale of Recruitment and Training

1. Recruiting and training 200 trainees in 2019.
2. Determining the plan of each month as follows according to the company's planning:

| Month | January | February | March | April | May | June | July | August | September | October | November | December |
|----------------|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|
| Planned Number | 0 | 20 | 30 | 20 | 20 | 0 | 30 | 20 | 20 | 20 | 0 | 20 |

V. Contents of Training

The contents of training are established as follows according to Xiongshi Training Plan:

| Course category | Course title | Periods offered by college | | Periods offered by enterprise | | |
|-------------------------------|------------------------------------|----------------------------|----------|-------------------------------|----------|--|
| | | Lecture | Practice | Lecture | Practice | |
| Occupational quality | Occupational mentality | | | 8 | | |
| | Communication skills | | | 8 | | |
| | Interview skills | 4 | | 4 | 4 | |
| | Problem-solving capability | | | 4 | | |
| | Service capability | | | 4 | | |
| Technology fundamentals | Hardware fundamentals | 40 | | 8 | | |
| | Operation system | 32 | | 8 | 8 | |
| | Network fundamentals | 32 | | 8 | 8 | |
| | Office IT application | 8 | 12 | 4 | | |
| Specialized technology | Failure diagnosis | | | 24 | | |
| | Repair tools and repair method | | | 8 | | |
| | Specifications | | | 8 | | |
| | Office peripheral equipment | | | 20 | | |
| | Document server | | | 8 | | |
| | Machine disassembly and experiment | | | 4 | 28 | |
| Question answering/construing | | | | | 8 | |
| Total | | 116 | 28 | 136 | 32 | |

During the implementation of training, Party B may adjust the distribution of periods according to the foundation of students and the implementation of cooperative colleges. The Parties may modify or reduce the contents of training upon mutual consent.

VI. Completion Assessment Method

1. Specialized knowledge assessment: adopting both written examination and interview. The full scores of written examination is 100, 60 or more scores for pass; interview will be conducted by technical examiners and graded by pass/fail.
2. Specialized skills assessment: if a trainee shall complete the disassembly and assembly of desktop and laptop within the specified time, without gross fault or abnormal damage, it will be deemed as pass; if a trainee complete the installation and debugging of software system within the specified time, it will be deemed as pass.
3. Occupational quality: interview method will be adopted to evaluate the communication capability, sense of customer service, etc of trainees. It will be graded by pass/fail.

VII. Settlement of Expenses

1. Standard of training fee: 4,000 Yuan/trainee. Party A shall pay the training fee to Party B in 8 natural months as from the entry of trainees, 500 Yuan/trainee every month;
2. Party B shall at the beginning of each month, draft the statement of last month (see Appendix hereto for the statement sample); the Parties shall confirm the statement prior the 15th day; Party A shall pay the training fee to Party B by bank remittance prior to the 25th day.
3. Party B shall issue an equal invoice to Party A.
4. Party B's bank account information:

Account name: Huaxia Boya (Beijing) Education Technology Co., Ltd.

Opening bank: Bank of Communications Beijing Haidian Sub-branch

Account No.:

5. Party A's invoicing information:

Name: Beijing Quanzhixiangqian Technology Co., Ltd.

Taxpayer ID:

VIII. Other Provisions

1. If a trainee resigns due to the following cause (the trainee resigns voluntarily, or is proved not competent for job, breaches the material regulations of the company or causes losses) and fails to meet the specified service period, the training fee of such trainee will be settled to the month of resignation; if such trainee turns out for work for less than 12 days in the month of resignation, the settlement of training fee of such trainee will be stopped as from such month.
2. If Party A's employment plan changes due to its material change, it shall notify Party B half a month in advance before Party B starts training course. For the students that have been reported to Party A and started training, Party A shall continue performing the duties of assessment, sending offer, handling entry procedures, etc according to the provisions of this Agreement.
3. If a trainee turns out for work for less than 12 working days in any month during the service period, the settlement of training fee of such trainee will be postponed for one month, but will not be settled in current month.
4. If the probationary period of a trainee is less than 8 months, the training fee of insufficient months will be settled in the name of other trainee of Party B (whose probationary period is longer than 8 months).
5. The Parties shall strictly keep the contents of the Agreement confidential. Without Party B's written consent, Party A may not leak any information of the personnel as sent by Party B's company to any third party. Party B may not leak the trade secrets, cooperation method and/or employment information of Party A to any unrelated third party.

IX. Miscellaneous

1. If either party hereto delays or fails to perform any of its duties hereunder due to force majeure, such as fire, flood, governmental order, riot, etc, it shall not be held responsible. However, the impacted party shall immediately notify the other party, and shall provide a reasonable and reliably written certificate within the reasonable time.
2. Without the written consent of the other party, either party hereto may not transfer or subcontract this Agreement to any third party in whole or in part;
3. Unless otherwise expressly stated herein or otherwise agreement by the Parties, either party hereto shall assume the expenses as incurred for performing the activities as specified herein;
4. Any dispute arising from this Agreement shall be settled by the Parties through friendly negotiation within thirty (30) days; in case negotiation fails, such dispute shall be submitted to the people's court of the place where the defendant is located for judgment;
5. The period of validity of this Agreement shall be from January 1 to December 31, 2019;
6. This Agreement is made in four originals of the same legal force, two for each party hereto. This Agreement shall become effective upon being signed and sealed by the Parties.

In witness whereof, this Agreement has been signed by the following authorized representatives of the Parties on the date as set forth below:

Beijing Quanqinxiangqian Technology Co., Ltd. (Seal)

Huaxia Boya (Beijing) Education Technology Co., Ltd. (Seal)



Representative (in Print):

Representative (in Print):

Representative's Signature: (Signature)

Representative's Signature:

Title: Date:

Title: Date:

Special Contract Seal of Quanqinxiangqian Technology Co., Ltd. (Seal)

Special Contract Seal of Huaxia Boya (Beijing) Education Technology Co., Ltd. (Seal)

Appendix: Statement of Recruitment Service Fee

Statement of Recruitment Service Fee in XX(Month), XXXX(Year)

Total Number: XX

| SN | Employee's Name | ID Card No. | Entry Time | Number of Settled Months | Settlement Standard | Amount | Remarks |
|----|-----------------|-------------|------------|--------------------------|---------------------|--------|---------|
| 1 | | | | | | | |
| 2 | | | | | | | |
| 3 | | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | | | | | | | |
| 7 | | | | | | | |
| 8 | | | | | | | |

Total:

Prepared by:

Checked by:

Huaxia Boya (Beijing) Education Technology Co., Ltd.
Date:

Project Cooperation Agreement**Party A: China Liberal (Beijing) Education Technology Co., Ltd.**

Address: Room 602, Tower A, Phase III, Dongyi International Media Industrial Park, Chaoyang District, Beijing Municipality
Representative: Li Fei
Tel: 13301388087, 010-85789609
Email: Jeffery.lee@chianliberal.com

Party B: Bridge School S.R.I

Address: via Anfossi, 32 – 20135 Milano
Representative: Sun Weixing
Tel: 18610095702
Email: starsun1970@hotmail.com

Special Contract Seal of China Liberal (Beijing) Education Technology Co., Ltd. (Seal)

Party A and Party B jointly conduct Italian foundation recruitment and teaching and handle the admission procedures of national art colleges and universities according to *Contract Law of the People's Republic of China* and relevant laws and regulations, and through friendly negotiation, and based on the principles of voluntariness, equality and mutual benefits. In order to ensure the smoothness of cooperation and protect the legitimate rights and interests of the Parties, the Parties have entered into and shall jointly comply with the following terms and conditions.

I. Party A's Rights and Obligations

1. Party A shall be responsible to enroll students and arrange students to learn Italian language course and corresponding art specialized course in China.
2. Party A shall sign agreements with students in its own name.
3. Party A guarantees that the students enrolled by it shall conform to the basic requirements of Italian overseas study, and guarantee the accuracy and strictness of information.
4. Party A shall be liable for any dispute, controversy, tort, breach, etc with students due to Party A's cause, and shall assume the losses arising therefrom.
5. Party A shall provide the relevant materials of the students who have enrolled and paid to Party B, so as to ensure the smoothness of cooperation.
6. Party A has the right to supervise and manage the teaching of Party B, and puts forward modification opinions, and Party B shall make rectification.

II. Party B's Rights and Obligations

1. Party B shall provide teaching place and good quality language and specialized course teachers to the students as transmitted by Party A, and guarantee the quality of teaching, and regularly communicate with Party A about the learning situation of students.

2. The Parties determine through negotiation that if Party A enrolls 30 or more students, Party B shall dispatch no less than 3 teachers to assist Party A in teaching courses free of charge.

3. Party B shall provide the following overseas services for the students sent by Party A: picking up at the airport, providing lodging, handling residence permit, opening an account in bank, insurance.

4. Party B shall faithfully notify students of the tuition quotation, etc. Party B shall guarantee the accuracy of publicity information and the strictness of service undertakings, and may not deceive or cheat students in any form of false publicity.

5. Party B shall safeguard the safety of students during the learning and living at school, and shall provide corresponding support and help.

6. Party B shall actively cooperate with the publicity activity of Party A on Chinese market, and dispatch corresponding professors to assist marketing work in China. Party A shall assume the relevant expenses of such professors and experts, such as travelling costs.

III. Profit Sharing

1. Party A transmits students to Party B to receive the training of language and specialized courses (the tuition of language course is EURO 5,200, and that of specialized course is EURO 2,300), and accept the lodging arrangement and overseas service as provided by Party B.

2. Party B shall pay commission to Party A as follows:

| Number of Students | Commission Ratio of Language Course | Commission Ratio of Specialized Course | Remarks |
|--------------------|-------------------------------------|--|--|
| 20 or more | 30% | 20% | Exempting students from overseas service fee |
| 30 or more | 40% | 20% | |
| 40 or more | 45% | 20% | |
| 50 or more | 50% | 20% | |

3. Each party hereto shall appoint a liaison to communicate the situation of students at any time, and shall check the number of students by the end of December 2018; Party B shall remit commission to Party A's designated account within 15 working days after having checked the number of students.

IV. Confidentiality

The Parties shall keep the contents of this Agreement confidential. Whether within the period of validity of this Agreement or after the termination of this Agreement, neither party may disclose the trade secrets of the other party, nor use such secrets for any purpose other than this Agreement; otherwise the faulty party shall assume the liability for compensation. Without the written consent of the other party, either party may not disclose the contents of this Agreement to any third party.

V. Miscellaneous

1. The cooperation period of the Parties shall be from December 1, 2017 to July 31, 2019.

2. In case of any modification of this Agreement, the Parties may otherwise sign a supplementary agreement. In case any discrepancy between such supplementary agreement and this Agreement, the former shall prevail.

3. Any dispute arising from the interpretation or performance of this Agreement shall be settled through negotiation; in case negotiation fails, such dispute shall be submitted to Beijing Arbitration Commission for arbitration.

4. This Agreement is made in two originals of the same legal force, one for each party hereto.

5. This Agreement shall become effective upon being signed by the Parties.

Party A: China Liberal (Beijing) Education Technology Co., Ltd.

Party B: Bridge School S.R.I

Representative's Signature:

Representative's Signature: Sun Weixing (Signature)



Date:

Date: November 28, 2017

Special Contract Seal of Huaxia Boya (Beijing) Education Technology Co., Ltd. (Seal)

List of subsidiaries of the Registrant

| Subsidiaries | Place of Incorporation |
|--|-------------------------------|
| Yi Xin International Investment Limited | British Virgin Islands |
| China Boya Education Group Co., Ltd. | Hong Kong |
| China Liberal (Beijing) Education Technology Co., Ltd. | PRC |

**FRIEDMAN LLP**

ACCOUNTANTS AND ADVISORS

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this amendment to the Registration Statement on Form F-1 of China Liberal Education Holdings Limited of our report dated May 6, 2019, except for Notes 2, 12, 15 and 16, as to which the date is August 5, 2019, with respect to the consolidated balance sheets of China Liberal Education Holdings Limited as of December 31, 2018 and 2017, and the related consolidated statements of income and comprehensive income, changes in shareholders' equity and cash flows for each of the years in the two-year period ended December 31, 2018, included in this Registration Statement. We also consent to the reference to our firm under the heading "Experts" in such Registration Statement.

/s/ Friedman LLP

New York, New York
August 5, 2019

CODE OF BUSINESS CONDUCT AND ETHICS
of
CHINA LIBERAL EDUCATION HOLDINGS LIMITED

INTRODUCTION

Purpose

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of China Liberal Education Holdings Limited, a Cayman Islands company (the “Company”), consistent with the highest standards of business ethics. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, we adhere to these higher standards.

This Code applies to all of the directors, officers, and employees of the Company and its subsidiaries (which, unless the context otherwise requires, are collectively referred to as the “Company” in this Code). We refer to all persons covered by this Code as “Company employees” or simply “employees.” We also refer to our chief executive officer and our chief financial officer as our “principal financial officers.”

Seeking Help and Information

This Code is not intended to be a comprehensive rulebook and cannot address every situation that you may face. If you feel uncomfortable about a situation or have any doubts about whether it is consistent with the Company’s ethical standards, seek help. We encourage you to contact your supervisor for help first. If your supervisor cannot answer your question or if you do not feel comfortable contacting your supervisor, contact the Compliance Officer of the Company, who shall be a person appointed by the Board of Directors of the Company. Lingling Ding has initially been appointed by the Board of Directors of the Company as the Compliance Officer for the Company. Lingling Ding can be reached at +86 135 0103 3662 and Linda.ding@chinaliberal.com. The Company will notify you if the Board of Directors appoints a different Compliance Officer. You may remain anonymous and will not be required to reveal your identity in your communication to the Company.

Reporting Violations of the Code

All employees have a duty to report any known or suspected violation of this Code, including any violation of the laws, rules, regulations or policies that apply to the Company. If you know of or suspect a violation of this Code, immediately report the conduct to your supervisor. Your supervisor will contact the Compliance Officer, who will work with you and your supervisor to investigate the matter. If you do not feel comfortable reporting the matter to your supervisor or you do not get a satisfactory response, you may contact the Compliance Officer directly. Employees making a report need not leave their name or other personal information and reasonable efforts will be used to conduct the investigation that follows from the report in a manner that protects the confidentiality and anonymity of the employee submitting the report. All reports of known or suspected violations of the law or this Code will be handled sensitively and with discretion. Your supervisor, the Compliance Officer and the Company will protect your confidentiality to the extent possible, consistent with law and the Company’s need to investigate your report.

It is the Company policy that any employee who violates this Code will be subject to appropriate discipline, which may include termination of employment. This determination will be based upon the facts and circumstances of each particular situation. An employee accused of violating this Code will be given an opportunity to present his or her version of the events at issue prior to any determination of appropriate discipline. Employees who violate the law or this Code may expose themselves to substantial civil damages, criminal fines and prison terms. The Company may also face substantial fines and penalties and many incur damage to its reputation and standing in the community. Your conduct as a representative of the Company, if it does not comply with the law or with this Code, can result in serious consequences for both you and the Company.

Policy Against Retaliation

The Company prohibits retaliation against an employee who, in good faith, seeks help or reports known or suspected violations. Any reprisal or retaliation against an employee because the employee, in good faith, sought help or filed a report will be subject to disciplinary action, including potential termination of employment.

Waivers of the Code

Waivers of this Code for employees may be made only by an executive officer of the Company. Any waiver of this Code for our directors, executive officers or other principal financial officers may be made only by our Board of Directors or the appropriate committee of our Board of Directors and will be disclosed to the public as required by law or the rules of the Nasdaq Capital Market.

CONFLICTS OF INTEREST

Identifying Potential Conflicts of Interest

A conflict of interest can occur when an employee's private interest interferes, or appears to interfere, with the interests of the Company as a whole. You should avoid any private interest that influences your ability to act in the interests of the Company or that makes it difficult to perform your work objectively and effectively.

Identifying potential conflicts of interest may not always be clear-cut. The following situations are examples of conflicts of interest:

- Outside Employment. No employee should be employed by, serve as a director of, or provide any services not in his or her capacity as a Company employee to a company that is a material customer, supplier, or competitor of the Company.
- Improper Personal Benefits. No employee should obtain any material (as to him or her) personal benefits or favors because of his or her position with the Company. Please see "Gifts and Entertainment" below for additional guidelines in this area.
- Financial Interests. No employee should have a significant financial interest (ownership or otherwise) in any company that is a material customer, supplier or competitor of the Company. A "significant financial interest" means (i) ownership of greater than 1% of the equity of a material customer, supplier or competitor or (ii) an investment in a material customer, supplier or competitor that represents more than 5% of the total assets of the employee.

- Loans or Other Financial Transactions. No employee should obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that is a material customer, supplier or competitor of the Company. This guideline does not prohibit arms-length transactions with banks, brokerage firms or other financial institutions.
- Service on Boards and Committees. No employee should serve on a board of directors or trustees or on a committee of any entity (whether profit or not-for-profit) whose interests reasonably would be expected to conflict with those of the Company.
- Actions of Family Members. The actions of family members outside the workplace may also give rise to the conflicts of interest described above because they may influence an employee's objectivity in making decisions on behalf of the Company. For purposes of this Code, "family members" include your spouse or life-partner, brothers, sisters and parents, in-laws and children whether such relationships are by blood or adoption.

For purposes of this Code, a company is a "material" customer if that company has made payments to the Company in the past year in excess of US\$100,000 or 10% of the customer's gross revenues, whichever is greater. A company is a "material" supplier if that company has received payments from the Company in the past year in excess of US\$100,000 or 10% of the supplier's gross revenues, whichever is greater. A company is a "material" competitor if that company competes in the Company's line of business and has annual gross revenues from such line of business in excess of US\$500,000. If you are uncertain whether a particular company is a material customer, supplier or competitor, please contact the Compliance Officer for assistance.

Disclosure of Conflicts of Interest

The Company requires that employees disclose any situations that reasonably would be expected to give rise to a conflict of interest. If you suspect that you have a conflict of interest, or something that others could reasonably perceive as a conflict of interest, you must report it to your supervisor or the Compliance Officer. Your supervisor and the Compliance Officer will work with you to determine whether you have a conflict of interest and, if so, how best to address it. Although conflicts of interest are not automatically prohibited, they are not desirable and may only be waived as described in "Waivers of the Code" above.

CORPORATE OPPORTUNITIES

As an employee of the Company, you have an obligation to advance the Company's interests when the opportunity to do so arises. If you discover or are presented with a business opportunity through the use of corporate property, information, or because of your position with the Company, you should first present the business opportunity to the Company before pursuing the opportunity in your individual capacity. No employee may use corporate property, information, or his or her position with the Company for personal gain or should compete with the Company.

You should disclose to your supervisor the terms and conditions of each business opportunity covered by this Code that you wish to pursue. Your supervisor will contact the Compliance Officer and the appropriate management personnel to determine whether the Company wishes to pursue the business opportunity. If the Company waives its right to pursue the business opportunity, you may pursue the business opportunity on the same terms and conditions as originally proposed and consistent with the other ethical guidelines set forth in this Code.

Confidential Information and Company Property

Employees have access to a variety of confidential information while employed at the Company. Confidential information includes all non-public information that might be of use to competitors, or, if disclosed, harmful to the Company or its customers. Every employee has a duty to respect and safeguard the confidentiality of the Company's information and the information of our suppliers and customers, except when disclosure is authorized or legally mandated. In addition, you must refrain from using any confidential information from any previous employment if, in doing so, you could reasonably be expected to breach your duty of confidentiality to your former employers. An employee's obligation to protect confidential information continues after he or she leaves the Company. Unauthorized disclosure of confidential information could cause competitive harm to the Company or its customers and could result in legal liability to you and the Company.

Employees also have a duty to protect the Company's intellectual property and other business assets. The intellectual property, business systems and the security of the Company property are critical to the Company.

Any questions or concerns regarding whether disclosure of Company information is legally mandated should be promptly referred to the Compliance Officer.

Safeguarding Confidential Information and Company Property

Care must be taken to safeguard and protect confidential information and Company property. Accordingly, the following measures should be adhered to:

- The Company's employees should conduct their business and social activities so as not to risk inadvertent disclosure of confidential information. For example, when not in use, confidential information should be secretly stored. Also, review of confidential documents or discussion of confidential subjects in public places (e.g., airplanes, trains, taxis, buses, etc.) should be conducted so as to prevent overhearing or other access by unauthorized persons.
- Within the Company's offices, confidential matters should not be discussed within hearing range of visitors or others not working on such matters.
- Confidential matters should not be discussed with other employees not working on such matters or with friends or relatives including those living in the same household as a Company employee.
- The Company's employees are only to access, use, and disclose confidential information that is necessary for them to have in the course of performing their duties. They are not to disclose confidential information to other employees or contractors at the Company unless it is necessary for those employees or contractors to have such confidential information in the course of their duties.
- The Company's files, personal computers, networks, software, internet access, internet browser programs, emails, voice mails, and other business equipment (e.g. desks and cabinets) and resources are provided for business use and they are the exclusive property of the Company. Misuse of such Company property is not tolerated.

COMPETITION AND FAIR DEALING

All employees are obligated to deal fairly with fellow employees and with the Company's customers, suppliers and competitors. Employees should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

Relationships with Customers

Our business success depends upon our ability to foster lasting customer relationships. The Company is committed to dealing with customers fairly, honestly, and with integrity. Specifically, you should keep the following guidelines in mind when dealing with customers:

- Information we supply to customers should be accurate and complete to the best of our knowledge. Employees should not deliberately misrepresent information to customers.
- Employees should not refuse to sell, service, or maintain products the Company has produced simply because a customer is buying products from another supplier.
- Customer entertainment should not exceed reasonable and customary business practice. Employees should not provide entertainment or other benefits that could be viewed as an inducement to or a reward for customer purchase decisions. Please see "Gifts and Entertainment" below for additional guidelines in this area.

Relationships with Suppliers

The Company deals fairly and honestly with its suppliers. This means that our relationships with suppliers are based on price, quality, service, and reputation, among other factors. Employees dealing with suppliers should carefully guard their objectivity. Specifically, no employee should accept or solicit any personal benefit from a supplier or potential supplier that might compromise, or appear to compromise, their objective assessment of the supplier's products and prices. Employees can give or accept promotional items of nominal value or moderately scaled entertainment within the limits of responsible and customary business practice. Please see "Gifts and Entertainment" below for additional guidelines in this area.

Relationships with Competitors

The Company is committed to free and open competition in the marketplace. Employees should avoid actions that would be contrary to laws governing competitive practices in the marketplace, including antitrust laws. Such actions include misappropriation and/or misuse of a competitor's confidential information or making false statements about the competitor's business and business practices.

PROTECTION AND USE OF COMPANY ASSETS

Employees should protect the Company's assets and ensure their efficient use for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Company's profitability. The use of Company funds or assets, whether or not for personal gain, for any unlawful or improper purpose is prohibited.

To ensure the protection and proper use of the Company's assets, each employee should:

- exercise reasonable care to prevent theft, damage or misuse of Company property;
- report the actual or suspected theft, damage or misuse of Company property to a supervisor;
- use the Company's telephone system, other electronic communication services, written materials and other property primarily for business-related purposes;
- safeguard all electronic programs, data, communications and written materials from inadvertent access by others; and
- use Company property only for legitimate business purposes, as authorized in connection with your job responsibilities.

Employees should be aware that Company property includes all data and communications transmitted or received to or by, or contained in, the Company's electronic or telephonic systems. Company property also includes all written communications. Employees and other users of Company property should have no expectation of privacy with respect to these communications and data. To the extent permitted by law, the Company has the ability, and reserves the right, to monitor all electronic and telephonic communication. These communications may also be subject to disclosure to law enforcement or government officials.

GIFTS AND ENTERTAINMENT

The giving and receiving of gifts is a common business practice. Appropriate business gifts and entertainment are welcome courtesies designed to build relationships and understanding among business partners. However, gifts and entertainment should not compromise, or appear to compromise, your ability to make objective and fair business decisions.

It is your responsibility to use good judgment in this area. As a general rule, you may give or receive gifts or entertainment to or from customers or suppliers only if the gift or entertainment would not be viewed as an inducement to or reward for any particular business decision. All gifts and entertainment expenses should be properly accounted for on expense reports. The following specific examples may be helpful:

- Meals and Entertainment. You may occasionally accept or give meals, refreshments or other entertainment if:

- The items are of reasonable value;
- The purpose of the meeting or attendance at the event is business related; and
- The expenses would be paid by the Company as a reasonable business expense if not paid for by another party.

Entertainment of reasonable value may include food and tickets for sporting and cultural events if they are generally offered to other customers, suppliers or vendors.

- Advertising and Promotional Materials. You may occasionally accept or give advertising or promotional materials of nominal value.
- Personal Gifts. You may accept or give personal gifts of reasonable value that are related to recognized special occasions such as a graduation, promotion, new job, wedding, retirement or a holiday. A gift is also acceptable if it is based on a family or personal relationship and unrelated to the business involved between the individuals.
- Gifts Rewarding Service or Accomplishment. You may accept a gift from a civic, charitable or religious organization specifically related to your service or accomplishment.

You must be particularly careful that gifts and entertainment are not construed as bribes, kickbacks, or other improper payments. See “The Foreign Corrupt Practices Act” below for a more detailed discussion of our policies regarding giving or receiving gifts related to business transactions.

You should make every effort to refuse or return a gift that is beyond these permissible guidelines. If it would be inappropriate to refuse a gift or you are unable to return a gift, you should promptly report the gift to your supervisor. Your supervisor will bring the gift to the attention of the Compliance Officer, who may require you to donate the gift to an appropriate community organization. If you have any questions about whether it is permissible to accept a gift or something else of value, contact your supervisor or the Compliance Officer for additional guidance.

COMPANY RECORDS

Accurate and reliable records are crucial to our business. Our records are the basis of our earnings statements, financial reports and other disclosures to the public and guide our business decision-making and strategic planning. Company records include booking information, payroll, timecards, travel and expense reports, e-mails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the ordinary course of our business.

All Company records must be complete, accurate and reliable in all material respects. Undisclosed or unrecorded funds, payments or receipts are inconsistent with our business practices and are prohibited. You are responsible for understanding and complying with our record keeping policy. Ask your supervisor if you have any questions.

ACCURACY OF FINANCIAL REPORTS AND OTHER PUBLIC COMMUNICATIONS

As a public company we are subject to various securities laws, regulations and reporting obligations. These laws, regulations and obligations and our policies require the disclosure of accurate and complete information regarding the Company's business, financial condition and results of operations. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and result in legal liability.

It is essential that the Company's financial records, including all filings with the Securities and Exchange Commission ("SEC") be accurate and timely. Accordingly, in addition to adhering to the conflict of interest policy and other policies and guidelines in this Code, the principal financial officers and other senior financial officers must take special care to exhibit integrity at all times and to instill this value within their organizations. In particular, these senior officers must ensure their conduct is honest and ethical that they abide by all public disclosure requirements by providing full, fair, accurate, timely and understandable disclosures, and that they comply with all other applicable laws and regulations. These financial officers must also understand and strictly comply with generally accepted accounting principles in the U.S. and all standards, laws and regulations for accounting and financial reporting of transactions, estimates and forecasts.

In addition, U.S. federal securities law requires the Company to maintain proper internal books and records and to devise and maintain an adequate system of internal accounting controls. The SEC has supplemented the statutory requirements by adopting rules that prohibit (1) any person from falsifying records or accounts subject to the above requirements and (2) officers or directors from making any materially false, misleading, or incomplete statement to an accountant in connection with an audit or any filing with the SEC. These provisions reflect the SEC's intent to discourage officers, directors, and other persons with access to the Company's books and records from taking action that might result in the communication of materially misleading financial information to the investing public.

COMPLIANCE WITH LAWS AND REGULATIONS

Each employee has an obligation to comply with all laws, rules and regulations applicable to the Company's operations. These include, without limitation, laws covering bribery and kickbacks, copyrights, trademarks and trade secrets, information privacy, insider trading, illegal political contributions, antitrust prohibitions, foreign corrupt practices, offering or receiving gratuities, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information or misuse of corporate assets. You are expected to understand and comply with all laws, rules and regulations that apply to your job position. If any doubt exists about whether a course of action is lawful, you should seek advice from your supervisor or the Compliance Officer.

COMPLIANCE WITH INSIDER TRADING LAWS

The Company has an insider trading policy, which may be obtained from the Compliance Officer. The following is a summary of some of the general principles relevant to insider trading, and should be read in conjunction with the aforementioned specific policy.

Company employees are prohibited from trading in shares or other securities of the Company while in possession of material, nonpublic information about the Company. In addition, Company employees are prohibited from recommending, “tipping” or suggesting that anyone else buy or sell shares or other securities of the Company on the basis of material, nonpublic information. Company employees who obtain material nonpublic information about another company in the course of their employment are prohibited from trading in shares or securities of the other company while in possession of such information or “tipping” others to trade on the basis of such information. Violation of insider trading laws can result in severe fines and criminal penalties, as well as disciplinary action by the Company, up to and including termination of employment.

Information is “non-public” if it has not been made generally available to the public by means of a press release or other means of widespread distribution. Information is “material” if a reasonable investor would consider it important in a decision to buy, hold or sell stock or other securities. As a rule of thumb, any information that would affect the value of stock or other securities should be considered material. Examples of information that is generally considered “material” include:

- Financial results or forecasts, or any information that indicates the Company’s financial results may exceed or fall short of forecasts or expectations;
- Important new products or services;
- Pending or contemplated acquisitions or dispositions, including mergers, tender offers or joint venture proposals;
- Possible management changes or changes of control;
- Pending or contemplated public or private sales of debt or equity securities;
- Acquisition or loss of a significant customer or contract;
- Significant write-offs;
- Initiation or settlement of significant litigation; and
- Changes in the Company’s auditors or a notification from its auditors that the Company may no longer rely on the auditor’s report.

The laws against insider trading are specific and complex. Any questions about information you may possess or about any dealings you have had in the Company’s securities should be promptly brought to the attention of the Compliance Officer.

PUBLIC COMMUNICATIONS AND PREVENTION OF SELECTIVE DISCLOSURE

Public Communications Generally

The Company places a high value on its credibility and reputation in the community. What is written or said about the Company in the news media and investment community directly impacts our reputation, positively or negatively. Our policy is to provide timely, accurate and complete information in response to public requests (media, analysts, etc.), consistent with our obligations to maintain the confidentiality of competitive and proprietary information and to prevent selective disclosure of market-sensitive financial data. To ensure compliance with this policy, all news media or other public requests for information regarding the Company should be directed to the Company's Investor Relations Department. The Investor Relations Department will work with you and the appropriate personnel to evaluate and coordinate a response to the request.

Prevention of Selective Disclosure

Preventing selective disclosure is necessary to comply with United States securities laws and to preserve the reputation and integrity of the Company as well as that of all persons affiliated with it. "Selective disclosure" occurs when any person provides potentially market-moving information to selected persons before the news is available to the investing public generally. Selective disclosure is a crime under United States law and the penalties for violating the law are severe.

The following guidelines have been established to avoid improper selective disclosure. Every employee is required to follow these procedures:

- All contact by the Company with investment analysts, the press and/or members of the media shall be made through the chief executive officer, chief financial officer or persons designated by them (collectively, the "Media Contacts").
- Other than the Media Contacts, no officer, director or employee shall provide any information regarding the Company or its business to any investment analyst or member of the press or media.
- All inquiries from third parties, such as industry analysts or members of the media, about the Company or its business should be directed to a Media Contact. All presentations to the investment community regarding the Company will be made by us under the direction of a Media Contact.
- Other than the Media Contacts, any employee who is asked a question regarding the Company or its business by a member of the press or media shall respond with "No comment" and forward the inquiry to a Media Contact.

These procedures do not apply to the routine process of making previously released information regarding the Company available upon inquiries made by investors, investment analysts and members of the media.

Please contact the Compliance Officer if you have any questions about the scope or application of the Company's policies regarding selective disclosure.

THE FOREIGN CORRUPT PRACTICES ACT

Foreign Corrupt Practices Act

The Foreign Corrupt Practices Act (the “FCPA”) prohibits the Company and its employees and agents from offering or giving money or any other item of value to win or retain business or to influence any act or decision of any governmental official, political party, candidate for political office or official of a public international organization. Stated more concisely, the FCPA prohibits the payment of bribes, kickbacks or other inducements to foreign officials. This prohibition also extends to payments to a sales representative or agent if there is reason to believe that the payment will be used indirectly for a prohibited payment to foreign officials. Violation of the FCPA is a crime that can result in severe fines and criminal penalties, as well as disciplinary action by the Company, up to and including termination of employment.

Certain small facilitation payments to foreign officials may be permissible under the FCPA if customary in the country or locality and intended to secure routine governmental action. Governmental action is “routine” if it is ordinarily and commonly performed by a foreign official and does not involve the exercise of discretion. For instance, “routine” functions would include setting up a telephone line or expediting a shipment through customs. To ensure legal compliance, all facilitation payments must receive prior written approval from the Compliance Officer and must be clearly and accurately reported as a business expense.

ENVIRONMENT, HEALTH AND SAFETY

The Company is committed to providing a safe and healthy working environment for its employees and to avoiding adverse impact and injury to the environment and the communities in which we do business. Company employees must comply with all applicable environmental, health and safety laws, regulations and Company standards. It is your responsibility to understand and comply with the laws, regulations and policies that are relevant to your job. Failure to comply with environmental, health and safety laws and regulations can result in civil and criminal liability against you and the Company, as well as disciplinary action by the Company, up to and including termination of employment. You should contact the Compliance Officer if you have any questions about the laws, regulations and policies that apply to you.

Environment

All Company employees should strive to conserve resources and reduce waste and emissions through recycling and other energy conservation measures. You have a responsibility to promptly report any known or suspected violations of environmental laws or any events that may result in a discharge or emission of hazardous materials. Employees whose jobs involve manufacturing have a special responsibility to safeguard the environment. Such employees should be particularly alert to the storage, disposal and transportation of waste, and handling of toxic materials and emissions into the land, water or air.

Health and Safety

The Company is committed not only to complying with all relevant health and safety laws, but also to conducting business in a manner that protects the safety of its employees. All employees are required to comply with all applicable health and safety laws, regulations and policies relevant to their jobs. If you have a concern about unsafe conditions or tasks that present a risk of injury to you, please report these concerns immediately to your supervisor or the Human Resources Department.

EMPLOYMENT PRACTICES

The Company pursues fair employment practices in every aspect of its business. The following is intended to be a summary of our employment policies and procedures. Copies of our detailed policies are available from the Human Resources Department. Company employees must comply with all applicable labor and employment laws, including anti-discrimination laws and laws related to freedom of association, privacy and collective bargaining. It is your responsibility to understand and comply with the laws, regulations and policies that are relevant to your job. Failure to comply with labor and employment laws can result in civil and criminal liability against you and the Company, as well as disciplinary action by the Company, up to and including termination of employment. You should contact the Compliance Officer or the Human Resources Department if you have any questions about the laws, regulations and policies that apply to you.

Harassment and Discrimination

The Company is committed to providing equal opportunity and fair treatment to all individuals on the basis of merit, without discrimination because of race, color, religion, national origin, gender (including pregnancy), sexual orientation, age, disability, veteran status or other characteristic protected by law. The Company prohibits harassment in any form, whether physical or verbal and whether committed by supervisors, non-supervisory personnel or non-employees. Harassment may include, but is not limited to, offensive sexual flirtations, unwanted sexual advances or propositions, verbal abuse, sexually or racially degrading words, or the display in the workplace of sexually suggestive objects or pictures.

If you have any complaints about discrimination or harassment, report such conduct to your supervisor or the Human Resources Department. All complaints will be treated with sensitivity and discretion. Your supervisor, the Human Resources Department and the Company will protect your confidentiality to the extent possible, consistent with law and the Company's need to investigate your concern. Where our investigation uncovers harassment or discrimination, we will take prompt corrective action, which may include disciplinary action by the Company, up to and including, termination of employment. The Company strictly prohibits retaliation against an employee who, in good faith, files a complaint.

Any member of management who has reason to believe that an employee has been the victim of harassment or discrimination or who receives a report of alleged harassment or discrimination is required to report it to the Human Resources Department immediately.

CONCLUSION

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. If you have any questions about these guidelines, please contact your supervisor or the Compliance Officer. We expect all Company employees to adhere to these standards.

This Code of Business Conduct and Ethics, as applied to the Company's principal financial officers, shall be the Company's "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder.

This Code and the matters contained herein are neither a contract of employment nor a guarantee of continuing Company policy. We reserve the right to amend, supplement or discontinue this Code and the matters addressed herein, without prior notice, at any time.

天元律师事务所
TIAN YUAN LAW FIRM

10/F, CPIC Plaza B, 28 Fengsheng Lane, Xicheng District, Beijing 100032, China
Tel: +86 10 5776 3888 Fax: +86 10 5776 3777

August 5, 2019

TO: China Liberal Education Holdings Limited
Sertus Chambers, Governors Square, Suite #5-204
23 Lime Tree Bay Avenue, P.O.Box 2547
Grand Cayman, KY1-1104, Cayman Islands

as the “**Company**”

Re: PRC Legal Opinion for Certain Legal Matters of the Initial Public Offering of China Liberal Education Holdings Limited

We have acted as the People’s Republic of China (the “**PRC**”, which for the purpose of this legal opinion, does not include Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan) legal adviser to China Liberal Education Holdings Limited (the “**Company**”) in connection with the initial public offering (the “**Offering**”) of the Company and sale of shares by certain selling shareholders of ordinary shares (the “**Ordinary Shares**”) with a par value of US\$0.001 per share on the Nasdaq Capital Market.

We are licensed lawyers in the PRC and are authorized by the Ministry of Justice of the PRC to issue legal opinions in relation to the above matters in accordance with the published and publicly available PRC laws, regulations, rules and judicial interpretations announced by the PRC Supreme People’s Court (collectively the “**PRC Laws**”), such licenses and authorization of which have not been revoked, suspended, restricted, or limited in any manner whatsoever.

A. Documents Examined, Definition and Information Provided

In connection with this opinion letter, we have examined copies, certified or otherwise identified to our satisfaction, of documents provided by the Company, and such other documents, the Registration Statement, corporate records, certificates, Approvals (as defined below) and other instruments as we have deemed necessary for the purpose of rendering this opinion, including, without limitation, originals or copies of the certificates issued by PRC government authorities and officers of the Company. All of these documents are hereinafter collectively referred to as the “**Documents**”.

Unless the context of this opinion otherwise provides, the following terms in this opinion shall have the meanings set forth below:

“**Government Authorizations**” means all government authorizations, consents, waivers, sanctions, certificates, authorizations, filings, registrations, exemptions, permissions, endorsements, annual inspections, qualifications and licenses required by applicable PRC Laws.

“**PRC Company**” means to China Boya (Beijing) Education Technology Co., Ltd., which is a company incorporated in accordance with the PRC Laws.

“**Prospectus**” means the prospectus, including all amendments or supplements thereto, that forms part of the Registration Statement.

Capitalized terms used but not defined herein shall have the meanings set forth in the Registration Statement.

B. Assumptions

In our examination of the aforesaid Documents, we have assumed, without independent investigation and inquiry that:

1. all signatures, seals and chops are genuine and were made or affixed by representatives duly authorized by the respective parties, all natural persons have the necessary legal capacity, all Documents submitted to us as originals are authentic, and all Documents submitted to us as certified or photo static copies conform to the originals;
2. no amendments, revisions, modifications or other changes have been made with respect to any of the Documents after they were submitted to us for the purposes of this opinion; and
3. each of the parties to the Documents (except that we do not make such assumptions about the PRC Company) is duly organized and validly existing in good standing under the laws of its jurisdiction of organization and/or incorporation, and has been duly approved and authorized where applicable by the competent governmental authorities of the relevant jurisdiction to carry on its business and to perform its obligations under the Documents to which it is a party.

In expressing the opinions set forth herein, we have relied upon the factual matters contained in the representations and warranties set forth in the Documents.

C. Opinion

Based upon the foregoing, we are of the opinion that:

1. With respect to the M&A Rules

On August 8, 2006, six PRC regulatory agencies, namely, the Ministry of Commerce, the State Assets Supervision and Administration Commission, the State Administration for Taxation, the State Administration for Industry and Commerce, the State Administration for Foreign Exchange, and the China Securities Regulatory Commission, or CSRC, jointly adopted the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rule, which became effective on September 8, 2006 and amended on June 22, 2009. M&A Rule requires, among other things, offshore special purpose vehicles, or SPVs, formed for the purpose of acquiring PRC domestic companies and controlled by PRC companies or individuals, to obtain the approval of the CSRC prior to publicly listing their securities on an overseas stock exchange. The PRC Company was originally established as a foreign-invested enterprise rather than a PRC domestic company as provided by the M&A Rules, and hence the Company is not a special purpose vehicle formed or controlled by PRC companies or individuals as defined under the M&A Rules. Therefore, the Company is not required to obtain the prior approval from CSRC for the listing and trading of the Company’s ADSs on an overseas stock exchange.

2. *Taxation*

The statements set forth under the caption “Taxation” in the Prospectus, insofar as they constitute statements of PRC tax law, are accurate in all material respects and that such statements constitute our opinion, and insofar as related to PRC Laws nothing has been omitted from such statements which would make the same misleading in all material respects.

3. *Enforceability of Civil Procedures*

The recognition and enforcement of foreign judgments are subject to compliance with the PRC Civil Procedures Law and relevant civil procedure requirements in PRC. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on reciprocity between jurisdictions. China does not have any treaties or other form of reciprocity with the United States or the Cayman Islands that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, courts in China will not enforce a foreign judgment against the Company or its directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States or in the Cayman Islands.

4. *Statements in the Prospectus*

The statements in the Prospectus under the captions “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Provision for Income Taxes”, “Business”, “Enforceability of Civil Liabilities”, “Use of Proceeds” “Regulations”, “Management”, “Taxation – People’s Republic of China Enterprise Taxation”, “Dividend Policy” and “Legal Matters”, insofar as such statements constitute summaries of the PRC legal matters, documents or proceedings referred to therein, in each case to the extent, and only to the extent, governed by the PRC Laws, fairly present the information and summarize in all material respects the matters referred to therein; and such statements are true and accurate in all material aspects, and correctly set forth therein, and nothing has been omitted from such statements which would make the same misleading in any material respect.

D. Consent

We hereby consent to the use of our name under the captions “Risk Factors”, “Enforceability of Civil Liabilities”, “Taxation”, “Legal Matters” and elsewhere in the Prospectus.

This opinion letter relates only to PRC Laws and we express no opinion as to any laws other than PRC Laws. PRC Laws referred to herein are laws currently in force as of the date of this opinion letter and there is no guarantee that any of such PRC Laws, or the interpretation thereof or enforcement therefor, will not be changed, amended or revoked in the immediate future or in the longer term with or without retroactive effect.

We hereby consent to the use of this opinion letter in, and the filing hereof as an exhibit to, the Prospectus. In giving such consent, we do not thereby admit that we fall within the category of the person whose consent is required under Section 7 of the U.S. Securities Act of 1933, as amended, or the regulations promulgated thereunder.

Very truly yours,

/s/ Tian Yuan Law Firm

Tian Yuan Law Firm

CONSENT OF DAVID SHERMAN

China Liberal Education Holdings Limited (the “Company”) intends to file a Registration Statement on Form F-1 (together with any amendments or supplements thereto, the “Registration Statement”) registering securities for issuance in its initial public offering. As required by Rule 438 under the Securities Act of 1933, as amended, the undersigned hereby consents to being named in the Registration Statement as a Director Nominee.

Dated: August 5, 2019

By: /s/ David Sherman
David Sherman

CONSENT OF JOSEPH LEVINSON

China Liberal Education Holdings Limited (the “Company”) intends to file a Registration Statement on Form F-1 (together with any amendments or supplements thereto, the “Registration Statement”) registering securities for issuance in its initial public offering. As required by Rule 438 under the Securities Act of 1933, as amended, the undersigned hereby consents to being named in the Registration Statement as a Director Nominee.

Dated: August 5, 2019

By: /s/ Joseph Levenson
Joseph Levenson

CONSENT OF NAN HU

China Liberal Education Holdings Limited (the “Company”) intends to file a Registration Statement on Form F-1 (together with any amendments or supplements thereto, the “Registration Statement”) registering securities for issuance in its initial public offering. As required by Rule 438 under the Securities Act of 1933, as amended, the undersigned hereby consents to being named in the Registration Statement as a Director Nominee.

Dated: August 5, 2019

By: /s/ Nan Hu

Nan Hu

August 5, 2019

China Liberal Education Holdings Limited

Huateng Century Park Headquarters,
Building A, Level 2
Beijing, PRC

Re: Consent of Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.

Ladies and Gentlemen,

We understand that China Liberal Education Holdings Limited (the “**Company**”) has filed a draft registration statement (the “**Registration Statement**”) with the United States Securities and Exchange Commission (the “**SEC**”) in connection with its proposed initial public offering (the “**Proposed IPO**”).

We hereby consent to the references to our name and the inclusion of information, data and statements from our research reports and amendments thereto, including but not limited to the industry research report titled “The PRC Sino-Foreign Jointly Managed Academic Programs, Study Abroad Consulting and Training Services, Smart Campus Solutions and School Enterprise Cooperation Services Industry Independent Market Research” (the “**Report**”), and any subsequent amendments to the Report, as well as the citation of our research report and amendments thereto, (i) in the Registration Statement and any amendments thereto, (ii) in any written correspondences with the SEC, (iii) in any other future filings with the SEC by the Company, including, without limitation, filings on Form 20-F, Form 6-K or other SEC filings (collectively, the “**SEC Filings**”), (iv) on the websites of the Company and its subsidiaries and affiliates, (v) in institutional and retail road shows and other activities in connection with the Proposed IPO, and in other publicity materials in connection with the Proposed IPO.

We further hereby consent to the filing of this letter as an exhibit to the Registration Statement and any amendments thereto and as an exhibit to any other SEC Filings.

In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the U.S. Securities Act of 1933, as amended, or the rules and regulations of the SEC thereunder.

For and on behalf of
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.

/s/ Yves Wang

Name: Yves Wang

Title: Managing Director