

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION



226
CAUSE NO. FSD OF 2019 ()

IN THE MATTER OF THE COMPANIES LAW (2018 REVISION)

AND IN THE MATTER OF PUXIN LIMITED

WINDING UP PETITION



To the Grand Court

The humble petition of THE CORE TRUST COMPANY LIMITED of 28/F, 33 Des Voeux Road Central, Central, Hong Kong (the *Petitioner*) shows that:

INTRODUCTION

- 1 The Petitioner presents this petition for the winding up of Puxin Limited (the *Company*).
- 2 The Petitioner is a creditor of the Company in the total sum of US\$96,000.00.
- 3 The Petitioner seeks the winding up of the Company pursuant to section 92(d) of the Companies Law (2018 Revision) (the *Companies Law*) on the grounds that the Company is unable to pay its debts.

BACKGROUND

- 4 The Company was incorporated on 17 March 2017 as an exempted company limited by shares with registered number 320919.
- 5 The Company's current registered office is care of Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands.

- 6 A prospectus filed by the Company with the United States Securities and Exchange Commission on 15 June 2018 states as follows in relation to the Company's business:

Our Mission

We believe that education inspires personal growth and opens up opportunities. Our mission is to empower people to build better lives through learning. We are committed to providing high quality education services to students, as well as upgrading the service quality in China's after-school education industry by applying our acquisition and integration expertise.

Overview

We are a successful consolidator of the after-school education industry in China. We have strong acquisition and integration capabilities to effectively improve education quality and operational performance of acquired schools. Through acquisitions and organic growth, we have grown rapidly and became the third largest after-school education service provider in China in 2017 in terms of student enrollments, according to the Frost & Sullivan report. Since our inception, we have acquired 48 schools and built a nationwide network of 397 learning centers across 35 cities in China as of March 31, 2018. Our total student enrollments increased 180.4% from 454,945 in 2016 to 1,275,723 in 2017, representing the fastest growth among major after-school education service providers in China, according to the Frost & Sullivan report. In the first quarter of 2017 and 2018, our total student enrollments were 185,446 and 260,973, respectively.

We offer a full spectrum of K-12 and study-abroad tutoring programs designed to help students achieve academic excellence, as well as prepare for admission tests and applications for top schools, universities and graduate programs in China and other countries. In addition to classroom-based tutoring, we have also developed online and mobile applications to increase students' after-class exposure to our services and enhance their learning experience.

- 7 The Company has been listed on the New York Stock Exchange (the **NYSE**) (Stock Code NEW) since 15 June 2018. The Company's principal executive offices are located at Floor

16, Chuangfu Mansion, No. 18 Danling Street, Haidian District, Beijing, People's Republic of China.

THE LETTER AGREEMENT

- 8 By a letter dated 15 April 2018, the Petitioner offered the Company various trust services (the **Letter Agreement**). The Company acknowledged and agreed to the contents of the Letter Agreement by signing it on 16 April 2018.
- 9 The Letter Agreement provided that the Company would pay fees to the Petitioner pursuant to a Fee Schedule to the Letter Agreement that provides, *inter alia*, for the following:-
- (a) A fee of US\$18,900 for "One-Time Formation Fees & Expenses" for each "Equity Incentive Trust";
 - (b) A "Special Discount" of US\$6,900 if six (6) or more Equity Incentive Trust are set up at the same time; and
 - (c) Payment of the initial setup fee within 10 days of signing the Letter Agreement.
- 10 Pursuant to the Letter Agreement and instructions from the Company, the Petitioner commenced the process of setting up eight (8) equity incentive trusts for the employees of the Company (the **Equity Incentive Trusts**) by, *inter alia*, drafting trust deeds for the Equity Incentive Trusts.
- 11 On 5 September 2018, the Petitioner issued an invoice (Invoice No. INV10120180131) (the **Invoice**) in the sum of US\$96,000.00 (the **Debt**) to the Company for the initial set up fee for the Equity Incentive Trusts. The invoice stated, consistent with the terms of the Letter Agreement, that the Invoice was due to be paid within 10 days (i.e. by 15 September 2018).

12 The amount of the Debt was calculated as follows:-

Description	Amount (US\$)
Setting up the Equity Incentive Trusts (US\$18,900 x 8)	151,200.00
Less: Discount (US\$6,900 x 8)	(55,200.00)
Total	96,000.00

13 The Petitioner subsequently sent reminder emails to the Company in relation to the Debt on 28 November 2018 and 14 January 2019 however the Company has failed to pay the Debt or any part thereof.

14 Despite repeated requests and demands by the Petitioner, the Company has neglected to and/or failed to settle the Debt or any part thereof.

STATUTORY DEMAND

15 On 10 October 2019, the Petitioner served a statutory demand dated 2 October 2019 on the Company pursuant to Section 93 of the Companies Law, by which the Petitioner demanded payment in the amount of US\$96,000.

16 As at 15 November 2019, the Company has neither negotiated any settlement with the Petitioner in relation to the Debt, nor disputed its liability to pay the Debt.

GROUNDS FOR APPLICATION

17 The Petitioner is a creditor of the Company and presents this Petition pursuant to Section 92(d) of the Companies Law, which provides that a company may be wound up by the Court if it is unable to pay its debts.

18 The Company is deemed unable to pay its debts pursuant to Section 93(a) of the Companies Law. Alternatively, the Petitioner can prove to the Court's satisfaction that the Company is unable to pay its debts pursuant to Section 93(c) of the Companies Law.

19 In the circumstances, the Petitioner seeks an order from this Honourable Court that the Company be wound up and nominates the Liquidators (defined below) to be the official liquidators of the Company.

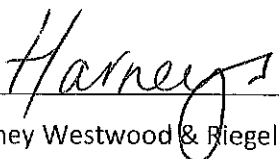
YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:

- 1 The Company be wound up in accordance with the Companies Law.
- 2 Messrs Mitchell Mansfield and Luke Almond of Borrelli Walsh (Cayman) Limited, PO Box 30847, Strathvale House, 3rd Floor, 90 North Church Street, Grand Cayman, KY1-1204, Cayman Islands and Mr Michael Chan of Borrelli Walsh Limited, Level 17, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong be appointed as Joint Official Liquidators of the Company (the *Liquidators*).
- 3 That the Liquidators shall not be required to give security for their appointment.
- 4 That the Liquidators shall have the power to act in their capacity as liquidators of the Company.
- 5 That the Liquidators be authorised to take any such action as may be necessary or desirable to obtain recognition of the Liquidators and/or their appointment in any other relevant jurisdiction and to make applications to the courts of such jurisdictions for that purpose.
- 6 That the Liquidators be authorised to exercise all of the powers set out in section 110(2) of the Companies Law and Part II of the Third Schedule thereof, without further sanction of this Honourable Court.
- 7 No suit, action or other proceeding shall be proceeded with or commenced against the Company except with the leave of the Court and subject to such terms as the Court may impose.
- 8 No disposition of the property of the Company by or with the authority of the Liquidators in carrying out his duties and functions and exercise of his powers under this Order shall be voided by virtue of Section 99 of the Companies Law.

- 9 That the Liquidators be at liberty to appoint such counsel, attorneys, professional advisors, whether in the Cayman Islands or elsewhere, as they may consider necessary to advise and assist them in the performance of their duties and on such terms as they may think fit and to remunerate.
- 10 The remuneration and expenses of the Liquidators shall be paid out of the assets of the Company in accordance with Part III of the Insolvency Practitioners' Regulations 2018 (as amended) and Order 20 of the Companies Winding Up Rules 2018 (as amended).
- 11 The Liquidators be at liberty to meet all disbursements reasonably incurred in connection with the performance of their duties and, for the avoidance of doubt, all such payments shall be made as and when they fall due out of the assets of the Company as an expense of the liquidation.
- 12 The Liquidators be at liberty to apply generally to the Court to make such orders for regulating the future conduct of the affairs of the Company as the Court shall see fit.
- 13 The costs of and incidental to the Petition be paid forthwith out of the assets of the Company as an expense of the liquidation.
- 14 Such further or other relief be granted as the Court deems appropriate.

AND your Petitioner will ever pray etc.

Dated this 15th of November 2019



Harney Westwood & Riegels

Attorneys-at-Law for and on behalf of the Petitioner

NOTE: This Petition is intended to be served on the Company

THIS PETITION was presented by Harney Westwood & Riegels, Attorneys-at-Law for the Petitioner, whose address for service is 3rd Floor, Harbour Place, 103 South Church Street, PO Box 10240, Grand Cayman KY1-1002, Cayman Islands (Ref: PPS/JYE/051847.0005)

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Courts, George Town,
Grand Cayman, Cayman Islands on at 10:00am.

Any correspondence or communication with the Court relating to the hearing of this Petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, George Town, Grand Cayman KY1-1106, Cayman Islands; Tel: 3459494296.