



**Registration of a Charge**

Company Name: **ASTRUM EDUCATION LIMITED**

Company Number: **08058545**



Received for filing in Electronic Format on the: **07/09/2021**

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**Details of Charge**

Date of creation: **30/08/2021**

Charge code: **0805 8545 0005**

Persons entitled: **SHANGHAI SHOUQIAN EDUCATION & TECHNOLOGY CO., LTD.**

Brief description:

**Contains fixed charge(s).**

**Contains negative pledge.**

**Authentication of Form**

This form was authorised by: **a person with an interest in the registration of the charge.**

**Authentication of Instrument**

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **FOOT ANSTEY LLP**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 8058545

Charge code: 0805 8545 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 30th August 2021 and created by ASTRUM EDUCATION LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th September 2021 .

Given at Companies House, Cardiff on 8th September 2021

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**

EXECUTION VERSION

**SECURITY AGREEMENT**  
(CHARGE OVER REGISTERED SHARES)

DATED 30th August 2021

BETWEEN

Astrum Education Limited

AND

SHANGHAI SHOUQIAN EDUCATION&TECHNOLOGY CO., LTD.  
上海首千教育科技有限公司



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**THIS DEED** is dated 30 August 2021 and is made **BETWEEN**:

- (1) **ASTRUM EDUCATION LIMITED**, a company incorporated under the laws of England (registered number 08058545) (the **Chargor**); and
- (2) **SHANGHAI SHOUQIAN EDUCATION&TECHNOLOGY CO., LTD.** (the Lender).

**BACKGROUND:**

- (A) The Chargor enters into this Deed in connection with the Loan Agreement (as defined below).
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

**IT IS AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Deed:

**Authorisation** means an authorisation, consent, approval, resolution, permit, licence, exemption, filing, notarisation or registration.

**Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

**Loan Agreement** means the loan agreement dated May 31, 2021 between (among others) the Chargor as borrower, and the Lender as lender.

**Event of Default** means any of the following:

- (a) each of the events or circumstances set out in clause 10 (违约事件及处理) of part II of the Loan Agreement;
- (b) any Obligor does not comply with any provision of any Finance Document to which it is a party;
- (c) any representation or statement made or deemed to be made by the Chargor in any Finance Document to which it is a party or any other document delivered by or on behalf of the Chargor under or in connection with any Finance Document is or proves to have been incorrect or misleading when made or deemed to be made;

**Finance Document** means the Loan Agreement, a Security Document or any other document designated as such by the Lender and the Chargor.

**Group** means the Chargor and its Subsidiaries from time to time.

**Material Adverse Effect** means a material adverse effect on (a) the business, operations, property or condition (financial or otherwise) of an Obligor or the Obligors and the Group taken as a whole; (b) the ability of any of the Obligors to perform its obligations under the Finance Documents; or (c) the validity, enforceability, effectiveness or ranking of, or the rights or remedies of the Lender under, the Finance Documents.

**Obligor** means the Chargor or the Subject Company.

**Party** means a party to this Deed.

**PRC** means the People's Republic of China (excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan).

**PSC Register** means a "PSC register" within the meaning of section 790C (10) of the Companies Act 2006.

**Receiver** means a receiver, a receiver and manager or an administrative receiver, in each case, appointed under this Deed.

**Related Rights** means:

- (a) any dividend, interest or other distribution paid or payable in relation to any Shares; and
- (b) any right, money or property accruing or offered at any time in relation to any Shares by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

**Relevant Jurisdiction** means in relation to an Obligor:

- (a) its jurisdiction of incorporation;
- (b) any jurisdiction where any asset subject to any Security Interest created or expressed to be created by it under a Security Document is situated;
- (c) the jurisdiction whose laws govern the perfection of any Security Interest created or expressed to be created by it under a Security Document; and
- (d) any jurisdiction where it conducts its business.

**Secured Liabilities** means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to the Lender under or in connection with each Finance Document.

**Security Asset** means each asset of the Chargor which is, or is intended to be, subject to any security created by this Deed.

**Security Document** means:

- (a) any document referred to in part 1 of the Loan Agreement; or
- (b) any other document evidencing or creating (or expressed to evidence or create) security over any asset to secure any obligation of any Obligor to the Lender under the Finance Documents.

**Security Interest** means a mortgage, charge, pledge, lien, assignment by way of security, hypothecation or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**Security Period** means the two-year period beginning on the expiration date of the loan period as stipulated in the Loan Agreement.

**Shares** means (i) all of the shares held by the Chargor in the issued share capital of the Subject Company from time to time, including as at the date of this Deed, the shares of the Subject Company as set out in Schedule 1 (Shares); and (ii) any shares may be subscribed by the Chargor which issued by the Subject Company in the future.

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**Subsidiary** means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

**Subject Company** means the company identified in Schedule 1 (Shares).

**Tax** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of them).

**UK** means the United Kingdom of Great Britain and Northern Ireland.

## **1.2 Construction**

(a) Unless this Deed expressly provides to the contrary, any reference in this Deed to:

- (i) a **Party** or any other person includes its successors in title, permitted assigns and permitted transferees to, or of, all or any combination of its rights and obligations under the Finance Documents;
- (ii) an **amendment** includes a supplement, novation, extension (whether of maturity or otherwise), restatement, re-enactment or replacement (however fundamental and whether or not more onerous) and **amended** will be construed accordingly;
- (iii) **assets** includes present and future properties, revenues and rights of every description;
- (iv) **disposal** includes a sale, transfer, assignment, grant, lease, licence, declaration of trust or other disposal, whether voluntary or involuntary, and **dispose** will be construed accordingly;
- (v) a **Finance Document** or other agreement or instrument includes (without prejudice to any restriction on amendments) any amendment to that Finance Document or other agreement or instrument, including any change in the purpose of, any extension of or any increase in the amount of a facility or any additional facility;
- (vi) **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (vii) any **rights** in respect of an asset include all amounts and proceeds paid or payable, all rights to make any demand or claim, and all powers, remedies, causes of action, security, guarantees and indemnities, in each case, in respect of or derived from that asset;
- (viii) a **person** includes any individual, firm, company, corporation, government, state or agency of a state or any association or body (including a partnership, trust, fund, joint venture or consortium), or any other entity (whether or not having separate legal personality);
- (ix) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which a person to which it applies is generally accustomed to comply) of any governmental, inter-governmental or supranational body, agency or department, or of any regulatory, self-regulatory or other authority or organisation;
- (x) a **currency** is a reference to the lawful currency for the time being of the relevant country;
- (xi) a **provision of law** is a reference to that provision as amended and includes any subordinate

legislation;

- (xii) a time of day is a reference to Shanghai time;
  - (xiii) the term **this Security** means any security created by this Deed; and
  - (xiv) an agreement, instrument or other document **to which it is a party** includes any agreement, instrument or other document issued in the relevant person's favour or of which it otherwise has the benefit (in whole or in part).
- (b) A Clause or a Schedule is a reference to a clause of or a schedule to this Deed.
  - (c) The headings in this Deed are for ease of reference only and do not affect its interpretation.
  - (d) Any reference within a Clause to **this Clause** means the entirety of that Clause.
  - (e) Any covenant of the Chargor under this Deed (other than a payment obligation) remains in force during the Security Period.
  - (f) If the Lender considers that an amount paid under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
  - (g) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of any disposal of that Security Asset.

### **1.3 Currency Symbols and Definitions**

- (a) **£, Sterling** and **GBP** denote the lawful currency of the UK.
- (b) **RMB** denotes the lawful currency of the PRC.

### **1.4 Third party rights**

- (a) Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.

## **2. CREATION OF SECURITY**

### **2.1 General**

- (a) All the security created under this Deed:
  - (i) is created in favour of the Lender;
  - (ii) is created over present and future assets of the Chargor;
  - (iii) is security for the payment, discharge and performance of all the Secured Liabilities; and
  - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

### **2.2 Shares**



The Chargor charges by way of a first fixed charge:

- (a) all the Shares; and
- (b) all Related Rights.

### **3. RESTRICTIONS ON DEALINGS**

The Chargor must not:

- (a) create or permit to subsist any Security Interest on any Security Asset; or
  - (b) sell, transfer, licence, lease or otherwise dispose of any Security Asset,
- except as expressly allowed under the Finance Documents.

### **4. REPRESENTATIONS**

#### **4.1 Representations**

The Chargor makes the representations and warranties set out in this Clause to the Lender.

#### **4.2 Status**

It is a limited company, duly established and validly existing under the law of its jurisdiction of incorporation.

#### **4.3 Binding obligations**

- (a) The obligations expressed to be assumed by it in this Deed are legal, valid, binding and enforceable obligations.
- (b) This Deed is in the proper form for its enforcement in the jurisdiction of its incorporation.

#### **4.4 Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, this Deed do not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents.

#### **4.5 Power and authority**

It has the power to enter into and perform, and has taken all necessary action to authorise its entry into and performance of, this Deed and the transactions contemplated by this Deed.

#### **4.6 Validity and admissibility in evidence**

- (a) All Authorisations required or desirable:
    - (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed; and
    - (ii) to make this Deed admissible in evidence in its Relevant Jurisdictions,
- have been obtained or effected and are in full force and effect.

- (b) All Authorisations necessary for the conduct of the business, trade and ordinary activities of the Chargor have been obtained or effected and are in full force and effect.

#### **4.7 Governing law and enforcement**

- (a) This Deed and any non-contractual obligations arising out of or relating to it, are to be governed by, and construed in accordance with either of (i):
  - (i) the law as specified under the Loan Agreement; or
  - (ii) the English law.
- (b) Any judgment obtained in England in relation to this Deed will be recognised and enforced by the courts of its Relevant Jurisdiction.

#### **4.8 No filing or stamp taxes**

Under the laws of its Relevant Jurisdictions it is not necessary that this Deed be registered, filed, recorded, notarised or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to this Deed or the transactions contemplated by this Deed.

#### **4.9 Deduction of Tax**

It is not required to make any deduction for or on account of Tax from any payment it may make under this Deed.

#### **4.10 Pari passu ranking**

Its payment obligations under this Deed rank at least pari passu with the claims of all of its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

#### **4.11 Immunity**

- (a) The entry into by it of this Deed, and the exercise by it of its rights and performance by it of its obligations under this Deed, constitute private and commercial acts performed for private and commercial purposes.
- (b) The transactions contemplated by this Deed are commercial transactions.
- (c) It will not be entitled to claim immunity from suit, recognition, enforcement, execution, attachment or other legal process or other relief in any proceedings taken in any Relevant Jurisdiction in relation to this Deed.

#### **4.12 No adverse consequences**

- (a) It is not necessary under the laws of its jurisdiction of incorporation:
  - (i) in order to enable the Lender to enforce its rights under this Deed; or
  - (ii) by reason of the entry into of this Deed or the performance by it of its obligations under this Deed,that the Lender should be licensed, qualified or otherwise entitled to carry on business in that jurisdiction.

- (b) The Lender is not and will not be deemed to be resident, domiciled or carrying on business in that jurisdiction by reason only of the entry into, performance and/or enforcement of this Deed.

#### **4.13 PSC regime**

It has complied in all respects with its obligations under Part 21A of the Companies Act 2006 in relation to the Shares.

#### **4.14 Nature of security**

This Deed creates those Security Interests it purports to create and is not liable to be avoided or otherwise set aside on its liquidation or administration or otherwise.

#### **4.15 Shares**

- (a) The Shares are duly authorised, validly issued and fully paid and are not subject to any option to purchase or similar right.
- (b) The Shares represent the whole of the issued share capital of the Subject Company.
- (c) The Chargor is the sole legal and the sole beneficial owner of the Shares.
- (d) The Shares are free of any Security Interests (except for those created by or pursuant to the Security Documents) and any other rights or interests in favour of third parties.

#### **4.16 Times for making representations**

- (a) The representations and warranties set out in this Deed (including in this Clause) are made by the Chargor on the date of this Deed.
- (b) The representations and warranties set out in this Deed are also deemed to be made by the Chargor by reference to the facts and circumstances then existing on each date during the Security Period.

### **5. SHARES**

#### **5.1 Deposit**

The Chargor must:

- (a) immediately deposit with the Lender or, as the Lender may direct, all certificates and other documents of title or evidence of ownership in relation to the Security Assets;
- (b) promptly execute and deliver to the Lender all share transfers and other documents which may be requested by the Lender in order to enable the Lender or its nominees to be registered as the owner or otherwise obtain a legal title to any Security Assets;
- (c) immediately deliver to the Lender a certified copy of the shareholder resolutions of the Subject Company amending the articles of association in form and substance satisfactory to the Lender; and
- (d) A certified copy of the PSC Register of the Subject Company if Part 21A of the Companies Act 2006 applies.

#### **5.2 Changes to rights**

The Chargor must not take or allow the taking of any action on its behalf which may result in the rights attaching to any Security Assets being altered or further shares in the Subject Company being

issued.

### **5.3 Calls**

- (a) The Chargor must pay all calls and other payments due and payable in respect of any Security Assets.
- (b) If the Chargor fails to do so, the Lender may pay any such calls or other payments on behalf of the Chargor. The Chargor must immediately on request reimburse the Lender for any payment made by the Lender under this Clause.

### **5.4 Other obligations in respect of Security Assets**

- (a) The Chargor must promptly copy to the Lender and comply with all requests for information which is within its knowledge and which are made under any law or regulation or by any listing or other authority or any similar provision contained in any articles of association or other constitutional document relating to any Security Assets. If it fails to do so, the Lender may elect to provide such information as it may have on behalf of the Chargor.
- (b) The Chargor must comply with all other conditions and obligations assumed by it in respect of any Security Assets.
- (c) The Lender is not obliged to:
  - (i) perform any obligation of the Chargor;
  - (ii) make any payment;
  - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or the Chargor; or
  - (iv) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,

in respect of any Security Assets.

### **5.5 Voting rights and dividends**

- (a) Before this Security becomes enforceable, the Chargor may continue to exercise the voting rights, powers and other rights in respect of the Security Assets.
- (b) Before this Security becomes enforceable, if any Security Assets have been registered in the name of the Lender or its nominee, the Lender (or its nominee) must exercise the voting rights, powers and other rights in respect of the Security Assets in the manner in which the Chargor may direct in writing. The Lender (or that nominee) will execute any form of proxy or other document which the Chargor may reasonably require for this purpose.
- (c) Before this Security becomes enforceable, all dividends, distributions or other income paid or payable in relation to any Security Assets must be paid to the Chargor. To achieve this:

- (i) the Lender or its nominee must promptly execute any dividend mandate or other document necessary to ensure that payment is made direct to the Chargor; or
  - (ii) if payment is made directly to the Lender (or its nominee) before this Security becomes enforceable, the Lender (or that nominee) must promptly pay that amount to the Chargor.
- (d) Before this Security becomes enforceable, the Lender must use its reasonable endeavours to forward promptly to the Chargor all material notices, correspondence and/or other communication it receives in relation to the Security Assets.
- (e) After this Security has become enforceable, the Lender or its nominee may exercise or refrain from exercising:
- (i) any voting rights; and
  - (ii) any other powers or rights which may be exercised by the legal or beneficial owner of any Security Assets, any person who is the holder of any Security Assets or otherwise,
- in each case, the registered holder or otherwise and without any further consent or authority on the part of the Chargor, the registered holder or otherwise and irrespective of any direction given by the Chargor.
- (f) If any Security Asset remains registered in the name of the Chargor, the Chargor irrevocably appoints the Lender or its nominee as its proxy to exercise all voting rights in respect of those Security Assets at any time after this Security has become enforceable.
- (g) The Chargor must indemnify the Lender against any cost, loss or liability incurred by the Lender as a consequence of the Lender acting in respect of the Security Assets at the direction of the Chargor.

## **5.6 PSC regime**

The Chargor must:

- (a) comply on time with any notice it receives under section 790D or 790E of the Companies Act 2006; and
- (b) promptly notify the Lender if it receives a warning notice or restrictions notice under schedule 1B of the Companies Act 2006,

in each case, in relation to the Shares.

## **6. WHEN SECURITY BECOMES ENFORCEABLE**

### **6.1 Event of Default**

This Security will become immediately enforceable if an Event of Default occurs.

### **6.2 Discretion**

After this Security has become enforceable, the Lender may in its absolute discretion enforce all or any part of this Security in any manner it sees fit.

### **6.3 Power of sale**

The power of sale and other powers conferred by section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

## **7. ENFORCEMENT OF SECURITY**

### **7.1 General**

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.

### **7.2 No liability as mortgagee in possession**

Neither the Lender nor any Receiver will be liable, by reason of entering into possession of a Security Asset to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

### **7.3 Privileges**

Each Receiver and the Lender is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that section 103 of the Act does not apply.

### **7.4 Protection of third parties**

No person (including a purchaser) dealing with the Lender or a Receiver or its or his agents will be concerned to enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Lender or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Finance Documents; or
- (d) how any money paid to the Lender or to that Receiver is to be applied.

### **7.5 Redemption of prior mortgages**

- (a) At any time after this Security has become enforceable, the Lender may:
  - (i) redeem any prior Security Interest against any Security Asset; and/or
  - (ii) procure the transfer of that Security Interest to itself; and/or
  - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.
- (b) The Chargor must pay to the Lender, immediately on demand, the costs and expenses incurred by the Lender in connection with any such redemption and/or transfer, including the payment of any principal or interest.

### **7.6 Contingencies**

If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Lender (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.

## **7.7 Financial collateral**

- (a) To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of the Chargor under this Deed constitute a "security financial collateral arrangement" (in each case, for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003), the Lender will have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.
- (b) Where any financial collateral is appropriated:
  - (i) if it is listed or traded on a recognised exchange, its value will be taken as the value at which it could have been sold on the exchange on the date of appropriation; or
  - (ii) in any other case, its value will be such amount as the Lender reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it,

and the Lender will give credit for the proportion of the value of the financial collateral appropriated to its use.

## **8. RECEIVER**

### **8.1 Appointment of Receiver**

- (a) Except as provided below, the Lender may from time to time appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
  - (i) this Security has become enforceable; or
  - (ii) the Chargor so requests the Lender in writing at any time.
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.
- (d) The Lender is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under Section 1A of the Insolvency Act 1986.

### **8.2 Removal**

The Lender may by writing under its hand remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

### **8.3 Remuneration**

The Lender may fix the remuneration of any Receiver appointed by it and any maximum rate imposed by law (including under section 109(6) of the Act) will not apply.

### **8.4 Agent of the Chargor**

- (a) A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor is responsible for the contracts, engagements, acts, omissions, defaults and losses of a

Receiver and for liabilities incurred by a Receiver.

- (b) The Lender will not incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

## **8.5 Relationship with the Lender**

To the fullest extent permitted by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Lender in relation to any Security Asset without first appointing a Receiver or notwithstanding the appointment of a Receiver.

## **9. POWERS OF RECEIVER**

### **9.1 General**

- (a) A Receiver has all the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law. This includes all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

### **9.2 Possession**

A Receiver may take immediate possession of, get in and collect any Security Asset.

### **9.3 Sale of assets**

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which it thinks fit.
- (b) The consideration for any such transaction may consist of cash or non-cash consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which it thinks fit.

### **9.4 Receipts**

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

### **9.5 Delegation**

A Receiver may delegate its powers in accordance with this Deed.

### **9.6 Other powers**

A Receiver may:

- (a) do all other acts and things which it may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- (b) exercise in relation to any Security Asset all the powers, authorities and things which it would be capable of exercising if it were the absolute beneficial owner of that Security Asset; and



## **10. APPLICATION OF PROCEEDS**

All amounts from time to time received or recovered by the Lender or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or any part of this Security will be held by the Lender and applied in the following order of priority:

- (a) in or towards payment of or provision for the Secured Liabilities in accordance with the terms of the Loan Agreement; and
- (b) in payment of the surplus (if any) to the Chargor or other person entitled to it.

This Clause is subject to the payment of any claims having priority over this Security. This Clause does not prejudice the right of the Lender to recover any shortfall from the Chargor.

## **11. EXPENSES AND INDEMNITY**

The Chargor must:

- (a) immediately on demand pay to the Lender the amount of reasonable costs and expenses incurred by the Lender in connection with this Deed including any arising from any actual or alleged breach by any person of any law or regulation, whether relating to the environment or otherwise.

## **12. DELEGATION**

### **12.1 Power of Attorney**

The Lender or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed.

### **12.2 Terms**

Any such delegation may be made upon any terms (including power to sub-delegate) which the Lender or any Receiver may think fit.

### **12.3 Liability**

Neither the Lender nor any Receiver will be in any way liable or responsible to the Chargor for any cost, loss or liability arising as a result of any act, default, omission or misconduct on the part of any delegate or sub-delegate.

## **13. FURTHER ASSURANCES**

### **13.1 Further assurances**

The Chargor must, at its own expense, take whatever action the Lender or a Receiver may require for:

- (a) creating, perfecting or protecting any security over any Security Asset; or
- (b) facilitating the realisation of any Security Asset or the exercise of any right, power or discretion exercisable, by the Lender or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset.

### **13.2 Action required**

The action that may be required under Clause 13.1 (Further assurances) includes:

- (a) the execution of any mortgage, charge, transfer, conveyance, assignment or assurance in respect of any asset, whether to the Lender or to its nominee; and
- (b) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Lender may think expedient.

## **14. PRESERVATION OF SECURITY**

### **14.1 Reinstatement**

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by the Lender in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Chargor under this Deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

### **14.2 Waiver of defences**

The obligations of the Chargor under this Deed will not be affected by any act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Deed including (without limitation and whether or not known to it or the Lender):

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any Obligor or any other person under the terms of any composition or arrangement with any creditor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person;
- (d) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (f) any amendment of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (g) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Finance Document or any other document or security; or
- (h) any insolvency, resolution or similar proceedings.

### **14.3 Amendments to the Finance Documents**

- (a) Without limiting Clause 15.2 (Waiver of defences), the Chargor acknowledges that the Finance Documents may from time to time be amended.
- (b) The Chargor confirms its intention that:

- (i) any amendment to a Finance Document is within the scope of the Secured Liabilities and this Security; and
  - (ii) the Secured Liabilities and this Security extend to any amount payable by the Chargor under or in connection with a Finance Document as amended.
- (c) The Chargor agrees that the confirmations in paragraph (b) above apply regardless of:
  - (i) why or how a Finance Document is amended (including the extent of the amendment and any change in the parties);
  - (ii) whether any amount payable by an Obligor under or in connection with the amended Finance Document in any way relates to any amount that would or may have been payable had the amendment not taken place;
  - (iii) the extent to which the Chargor's liability under this Deed (whether present or future, actual or contingent), or any right it may have as a result of entering into or performing its obligations under this Deed, changes or may change as a result of the amendment; and
  - (iv) whether the Chargor was aware of or consented to the amendment.

#### **14.4 Immediate recourse**

- (a) The Chargor waives any right it may have of first requiring the Lender (or any trustee or agent on its behalf) to proceed against or enforce any other right or security or claim payment from any person before claiming from the Chargor under this Deed.
- (b) This waiver applies irrespective of any law or provision of a Finance Document to the contrary.

#### **14.5 Appropriations**

The Lender (or any trustee or agent on its behalf) may at any time during the Security Period:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by the Lender (or any trustee or agent on its behalf) in respect of the Secured Liabilities or apply and enforce them in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Chargor will not be entitled to the benefit of such moneys, security or rights; and
- (b) hold in an interest-bearing suspense account any moneys received from the Chargor or on account of the Chargor's liability under this Deed.

#### **14.6 Deferral of Chargor's rights**

- (a) Unless the Security Period has expired or the Lender otherwise directs, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Deed or by reason of any amount being payable, or liability arising under this Deed:
  - (i) to be indemnified by an Obligor;
  - (ii) to claim any contribution from any other person who has provided security or a guarantee in respect of any Obligor's obligations under the Finance Documents;
  - (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by the Lender;

- (iv) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which the Chargor has granted security under this Deed;
  - (v) to exercise any right of set-off against any Obligor; and/or
  - (vi) to claim or prove as a creditor of any Obligor in competition with the Lender.
- (b) If the Chargor receives any benefit, payment or distribution in relation to such rights it must hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Lender and must promptly pay or transfer them to the Lender or as the Lender may direct for application in accordance with this Deed.

#### **14.7 Additional security**

- (a) This Security is in addition to and is not in any way prejudiced by any other security or guarantee now or subsequently held by the Lender.
- (b) No prior security held by the Lender (in its capacity as such or otherwise) over any Security Asset will merge into this Security.

#### **14.8 Security held by Chargor**

The Chargor must not, without the prior consent of the Lender, hold any security from any other Obligor in respect of the Chargor's liability under this Deed. The Chargor will hold any security held by it in breach of this provision on trust for the Lender.

### **15. CHANGES TO THE PARTIES**

#### **15.1 The Chargor**

The Chargor may not assign any of its rights or transfer any of its rights or obligations under this Deed without the prior consent of the Lender.

#### **15.2 The Lender**

The Lender may assign or otherwise dispose of all or any of its rights under this Deed without the prior consent of the Chargor and may disclose any information in its possession relating to the Chargor to any actual or prospective assignee, transferee or participant.

### **16. MISCELLANEOUS**

#### **16.1 Continuing security**

This Security is a continuing security and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part.

#### **16.2 Covenant to pay**

The Chargor must pay or discharge the Secured Liabilities in the manner provided for in the Finance Documents.

#### **16.3 Tacking**

The Lender must perform its obligations under the Loan Agreement (including any obligation to make available further advances).

#### **16.4 New Accounts**

- (a) If any subsequent charge or other interest affects any Security Asset, the Lender may open a new account with the Chargor.
- (b) If the Lender does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.
- (c) As from that time all payments made to the Lender will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

#### **16.5 Notice to Chargor**

This Deed constitutes notice in writing to the Chargor of any charge or assignment by way of security that may at any time be created or made under any Security Document by any member of the Group in respect of any obligation or liability under any agreement, instrument or other document to which that member is a party.

#### **16.6 Release of Chargor's rights**

If the shares in the Subject Company are disposed of as a result of enforcement of this Security, the Chargor irrevocably authorises the Lender (on behalf of the Chargor and without requiring any authority or consent from the Subject Company or any Obligor) to release (in whole or in part) the Subject Company from the liabilities and obligations (present and future, actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) it may have to the Chargor under or in connection with the Finance Documents as a result of the Chargor being a guarantor or security provider (including, without limitation, any liabilities and obligations arising by way of indemnity, contribution or subrogation).

### **17. RELEASE**

At the end of the Security Period, the Lender must, at the request and cost of the Chargor, take whatever action is reasonably necessary to release the Security Assets from this Security.

### **18. NOTICES**

#### **18.1 Communications in writing**

Any communication to be made under or in connection with this Deed must be made in writing and, unless otherwise stated, may be made by fax or letter.

#### **18.2 Addresses**

- (a) The contact details of the Chargor for all notices in connection with this Deed are:

Address: 59 Queen's Gate, South Kensington, London, SW7 5JP, UK  
Fax number: +44 (0) 20 7225 0577  
Attention: Liuchang Nikolov

- (b) The contact details of the Lender for all notices in connection with this Deed are:

Address: Floor 11, 55 West Huaihai Road, Shanghai, China  
Fax number: +86-21-62801900  
Attention: Lei Xu

- (c) Each Party may change its contact details by giving five Business Days' notice to the other Party.

### **18.3 Delivery**

- (a) Except as provided below, any communication made or delivered by one Party to another under or in connection with this Deed will only be effective:
  - (i) if by way of fax, when received in legible form; or
  - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 19.2 (Addresses), if addressed to that department or officer.

- (b) Any communication to be made or delivered to the Lender will be effective only when actually received by the Lender.
- (c) Any communication which would otherwise become effective on a non-working day or after business hours in the place of receipt will be deemed only to become effective on the next working day in that place.

### **18.4 Electronic communication**

- (a) Any communication to be made between the Parties under or in connection with this Deed may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website), if the Parties:
  - (i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
  - (ii) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
  - (iii) notify each other of any change to their electronic mail address or any other such information supplied by them.
- (b) For the purposes of this Deed, an electronic communication will be treated as being in writing.
- (c) Any electronic communication as specified in paragraph (a) above made between the Parties will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made by the Chargor to the Lender only if it is addressed in such a manner as the Lender may specify for this purpose.
- (d) Any electronic communication which would otherwise become effective on a non-working day or after business hours in the place in which the Party to whom the relevant communication is sent (or made available) has its address for the purposes of this Deed will be deemed only to become effective on the next working day in that place.
- (e) Any reference in this Deed to a communication being sent or received will be construed to include that communication being made available in accordance with this Clause 19.4 (Electronic communication).

### **18.5 English language**

Any communication made under or in connection with this Deed must be in English.

## **19. CALCULATIONS AND CERTIFICATES**

### **19.1 Accounts**

In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Lender are prima facie evidence of the matters to which they relate.

### **19.2 Certificates and determinations**

Any certification or determination by the Lender of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

### **19.3 Day count conventions**

Any interest, commission or fee accruing under this Deed will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days or, in any case where the practice in the relevant market differs, in accordance with that market practice.

## **20. PARTIAL INVALIDITY**

If, at any time, any term of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction that will not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Deed; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Deed.

## **21. REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of the Lender, any right or remedy under this Deed will operate as a waiver, nor will any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law and may be waived only in writing and specifically.

## **22. COUNTERPARTS**

This Deed may be executed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

## **23. GOVERNING LAW**

- (a) This Deed and any non-contractual obligations arising out of or relating to it, are to be governed by, and construed in accordance with either of (i):
  - (i) the law as specified under the Loan Agreement; or
  - (ii) the English law.

## **24. ENFORCEMENT**

### **24.1 Jurisdiction**

Any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in

connection with this Deed) (a **Dispute**) will be resolved by negotiation. If negotiation fails, any Party may bring the Dispute to the court in accordance with the Governing Law. If the court in which the Governing Law refers is not clear, or there are multiple optional courts or there are disputes in the court, the court in the place where this Deed is executed shall have jurisdiction. During the Dispute, both Parties shall continue to perform the terms not involved in the Dispute.

#### **24.2 Service of process**

- (a) Without prejudice to any other mode of service allowed under any relevant law, the Chargor:
  - (i) irrevocably appoints the Subject Company as its agent under this Deed for service of process in relation to any proceedings before the English courts in connection with this Deed; and
  - (ii) agrees that failure by a process agent to notify the Chargor of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as process agent under this Clause 24.2 (Service of process) is unable for any reason so to act, the Chargor must immediately (and in any event within ten days of the event taking place) appoint another agent on terms acceptable to the Lender. Failing this, the Lender may appoint another process agent for this purpose.

#### **24.3 Waiver of immunity**

The Chargor irrevocably and unconditionally:

- (a) waives all rights of immunity to which it or its assets may be entitled;
- (b) agrees not to claim any immunity from:
  - (i) proceedings brought in any jurisdiction against it or its assets by the Lender in relation to a Dispute;
  - (ii) recognition or enforcement in any jurisdiction of any judgment or order given in relation to a Dispute; or
  - (iii) execution, attachment or other legal process in any jurisdiction against it or its assets in relation to a Dispute,

and, in each case, to ensure that no such claim is made on its behalf;

- (c) submits to the jurisdiction of any court in relation to the recognition of any judgment or order given in relation to a Dispute; and
- (d) consents generally to the enforcement in any jurisdiction of any judgment or order given in relation to a Dispute and the giving of any relief in any jurisdiction, whether before or after final judgment, including, without limitation:
  - (i) relief by way of interim or final injunction or order for specific performance or recovery of any assets; and
  - (ii) execution, attachment or other legal process against any assets (irrespective of their use or intended use).

**THIS DEED** has been entered into and executed as a deed by the Chargor with the intention that it be delivered on the date stated at the beginning of this deed.



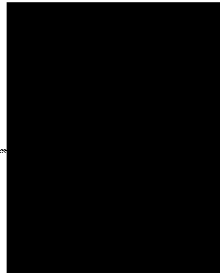
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## **SIGNATORIES**

Chargor

**Astrum Education Limited**

Authorized Representative's signature: \_\_\_\_\_



Witness's signature \_\_\_\_\_



Lender

SHANGHAI SHOUQIAN EDUCATION&TECHNOLOGY CO., LTD.



## **SCHEDULE 1**

### **SHARES**

<b>SUBJECT COMPANY</b>	<b>NUMBER OF SHARES</b>	<b>CLASS</b>
<b>Kensington Park School Limited</b>	<b>93,000 shares each of a nominal value of GBP 1</b>	<b>Ordinary</b>