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KINGSLEY EDUGROUP LIMITED

皇崑國際教育企業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 8105)

VOLUNTARY ANNOUNCEMENT – MEMORANDUM OF UNDERSTANDING IN RELATION TO THE POSSIBLE ACQUISITION

This announcement is made by Kingsley Edugroup Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance.

The Board is pleased to announce that on 5 March 2019 (before trading hours), the Company as purchaser entered into the Memorandum of Understanding with the Vendors in relation to the Possible Acquisition. Pursuant to the Memorandum of Understanding, the Company may acquire the entire issued shares of the Target Company held by the Vendors. The terms and conditions of the Possible Acquisition are subject to further negotiations among the Company and the Vendors.

The target company is a company incorporated in Hong Kong with limited liability and engaged in the business of education in Hong Kong. Major part of which focuses on business communication and workplace English sectors. It had been providing agency services and offering short courses (around

100 hours) for over 10 years, targeting 2 market segments, working adults and new immigrants. The provided courses are under the Continuing Education Fund. The Group is a private education service provider based in Subang Jaya, Selangor, Malaysia which principally offer courses ranging from Nursery to A-levels Courses primarily based on curriculum developed by University of Cambridge International Examinations and England National Curriculum through our Kingsley International School, and tertiary education programmes through our Kingsley Tertiary Institutions (comprising Kingsley Skills College, Kingsley Professional Centre and Kingsley College). The Acquisition of the Target Group, which owns and operates the education business in Hong Kong focusing on business communication and workplace English sectors, would mark an important step towards the extension of the Group's business presence into the Greater China Region. The Possible Acquisition (if proceeded with) is expected to further enhance the Group's scope of services as well as to facilitate the Group to lay a good foundation in developing the PRC market. The Directors believe that the Possible Acquisition (if proceeded with) will create synergies between the Target Company and the Group, thereby enhancing the competitive strength of the Group.

Subject to the satisfaction of due diligence result on the Target Company, the Company will consider further negotiation with the Vendors on the Possible Acquisition. The Target Company is owned by the Vendors. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, the Vendors are Independent Third Parties.

The Memorandum of Understanding does not create legally binding obligations on the parties in relation to the Possible Acquisition but is legally binding as to the exclusive negotiation period which commences from the date of the Memorandum of Understanding ("the Exclusive Period"), within the period the Company has the exclusive right to negotiate with the Vendors on the Possible Acquisition. The Possible Acquisition is subject to the negotiation and entering into of the Definitive Agreement.

The Memorandum of Understanding shall remain in effect during the Exclusive Period (or such longer period as the parties may mutually agree in writing) or until superseded by the execution of the Definitive Agreement, whichever is earlier.

The Possible Acquisition, if materialises, may constitute a notifiable transaction for the Company under the GEM Listing Rules. If Company enter into the Formal Agreement or decide to terminate the Memorandum of Understanding or if there are any material developments with respect to the Possible Acquisition, the Company will make further announcement(s) as when appropriate and comply with all other applicable requirements under the GEM Listing Rules. As the Possible Acquisition may or may not be materialized, Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“associates”	has the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Company”	Kingsley Edugroup Limited (stock code: 8105), a Company incorporated in Cayman Islands with limited Liability, the Shares of which are listed on the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“Exclusive Period”	three (3) months from the date of MOU
“Formal Agreement”	the formal sales and purchase agreement which may be entered into in relation to the Possible Acquisition;
“Greater China Region”	the PRC, Hong Kong, Macau and Taiwan
“Group”	the Company, together with its subsidiaries
“Independent Third Party(ies);	third party independent of and not connected with the Company and any of its connected persons or their respective associates;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Understanding”	the memorandum of understanding dated 5 March 2019 and entered into among the Company and the Vendors in relation to the Possible Acquisition;
“Possible Acquisition”	the possible acquisition of 100% of the issued share capital of the Target Company by the Company from the Vendors as contemplated in the Memorandum of Understanding;
“Shares”	ordinary share(s) in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	a company incorporated in HK with limited liability
“Vendors”	three individuals and each of them being Independent Third Party
“%”	per cent

By order of the Board
Kingsley Edugroup Limited
Tan Sri Dato’ Sri Goh Ming Choon
Chairman and Executive Director

Hong Kong, 5 March 2019

As at the date of this announcement, the executive Directors are Tan Sri Dato’ Sri Goh Ming Choon, Dato’ Danny Goh Meng Keong, Dr. Chua Ping Yong, the independent non-executive Directors are Prof Emeritus Tan Sri Dato’ Dr. Mohamed Salleh Bin Mohamed Yasin, Tan Sri Dato’ Hj Abd Karim Bin Shaikh Munisar and Prof. Dr. Rozainun Binti Abdul Aziz.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the Company’s website at www.kingsley.edu.my.