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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)**

## **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2019**

### **CHARACTERISTIC OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “**Directors**”) of Kingsley Edugroup Limited (the “**Company**”), together with its subsidiaries (the “**Group**”), collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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 on this announcement misleading.*

## FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2019

The Board of the Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated results of our Group for the three months ended 30 September 2019 together with the unaudited comparative figures for the three months ended 30 September 2018 as follows.

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the three months ended 30 September 2019*

		<b>Three months ended 30 September</b>	
	<i>Notes</i>	<b>2019 RM (unaudited)</b>	<b>2018 RM (unaudited)</b>
<b>Revenue</b>	3	<b>4,515,583</b>	2,804,557
Cost of revenue		<u><b>(3,765,999)</b></u>	<u>(3,478,461)</u>
<b>Gross profit/(loss)</b>		<b>749,584</b>	(673,904)
Other revenue and gains	4	<b>270,542</b>	1,615,165
Selling and distribution expenses		<b>(42,350)</b>	(305,198)
Administrative expenses		<u><b>(3,909,119)</b></u>	<u>(3,098,375)</u>
<b>Operating loss</b>		<b>(2,931,343)</b>	(2,462,312)
Finance costs		<u><b>(1,308,866)</b></u>	<u>(920,034)</u>
<b>Loss before income tax</b>	5	<b>(4,240,209)</b>	(3,382,346)
Income tax expense	6	<u><b>(6,243)</b></u>	<u>-</u>
<b>Loss and total comprehensive loss for the period *</b>		<u><b>(4,246,452)</b></u>	<u>(3,382,346)</u>
<b>Attributable to:</b>			
Owners of the Company		<b>(4,060,741)</b>	(3,300,950)
Non-controlling interests		<u><b>(185,711)</b></u>	<u>(81,396)</u>
		<u><b>(4,246,452)</b></u>	<u>(3,382,346)</u>
<b>Loss per share for loss attributable to owners of the Company</b>			
Basic and diluted ( <i>RM sen</i> )	7	<u><b>(0.51)</b></u>	<u>(0.41)</u>

\* Loss reported was based on accounting recognition of one month revenue (September only) for the international school segment with corresponding three month costs (July to September) for the above two reporting periods. As such, the loss reported was expected for the first quarter.

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 September 2019

## Attributable to owners of the Company

	Share capital RM (Unaudited)	Share premium RM (Unaudited)	Merger reserve RM (Unaudited)	Other reserve RM (Unaudited)	Retained earnings RM (Unaudited)	Sub-total RM (Unaudited)	Non-controlling interests RM (Unaudited)	Total equity RM (Unaudited)
As at 1 July 2018 (Audited)	4,039,181	31,409,986	18,299,929	-	14,861,003	68,610,099	(91,011)	68,519,088
Loss and total comprehensive loss for the period	-	-	-	-	(3,300,950)	(3,300,950)	(81,396)	(3,382,346)
Issuance of new shares to non-controlling shareholder	-	-	-	-	29,002	29,002	270,998	300,000
As at 30 September 2018 (Unaudited)	<u>4,039,181</u>	<u>31,409,986</u>	<u>18,299,929</u>	<u>-</u>	<u>11,589,055</u>	<u>65,338,151</u>	<u>98,591</u>	<u>65,436,742</u>
As at 1 July 2019 (Audited)	<b>4,039,181</b>	<b>31,409,986</b>	<b>18,299,929</b>	<b>5,296,829</b>	<b>17,142,122</b>	<b>76,188,047</b>	<b>78,556</b>	<b>76,266,603</b>
Loss and total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,060,741)</u>	<u>(4,060,741)</u>	<u>(185,711)</u>	<u>(4,246,452)</u>
As at 30 September 2019 (Unaudited)	<u><b>4,039,181</b></u>	<u><b>31,409,986</b></u>	<u><b>18,299,929</b></u>	<u><b>5,296,829</b></u>	<u><b>13,081,381</b></u>	<u><b>72,127,306</b></u>	<u><b>(107,155)</b></u>	<u><b>72,020,151</b></u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 12 January 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands. The Company's headquarters and principal place of business are located at LG5, Kingsley International School, Persiaran Kingsley, Kingsley Hills, Putra Heights, 47650 Subang Jaya, Selangor, Malaysia.

The Company's shares had been listed on the GEM of the Stock Exchange on 16 May 2018 (the "**Listing**").

The Company is an investment holding company while its subsidiaries are principally engaged in provision of education and related services in Malaysia.

The unaudited condensed consolidated financial statements are presented in Malaysia Ringgit ("**RM**"), which is also the functional currency of the Company.

## 2. BASIS OF PRESENTATION

The unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations (hereinafter collectively referred to as the "**HKFRS**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosures required by the Rules Governing the listing of securities on GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

The basis of preparation and principle accounting policies adopted in preparing these unaudited condensed consolidated financial statements are consistent with those adopted in the preparation of the Group's annual financial statements for the year ended 30 June 2019, except for the adoption of the new and revised HKFRSs. The application of these new and revised HKFRSs did not result in significant impact on the unaudited condensed consolidated financial statements.

## 3. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the provision of education and related services in Malaysia.

Information reported to the Executive Directors of the Company, being the chief operating decision makers, for the purpose of resource allocation and assessment of segment performance focuses on types of services provided.

The following is an analysis of the Group's revenue by segment:

**(a) Revenue by business segment**

	International school RM (Unaudited)	Tertiary education RM (Unaudited)	Others RM (Unaudited)	Inter- segment elimination RM (Unaudited)	Total RM (Unaudited)
<b>For the three months ended 30 September 2019</b>					
Revenue	4,314,669	-	200,914	-	4,515,583
Cost of revenue	(3,537,261)	(21,302)	(207,436)	-	(3,765,999)
Gross profit/(loss)	777,408	(21,302)	(6,522)	-	749,584
Other revenue and gains	270,754	-	(212)	-	270,542
Selling and distribution expenses	(41,731)	(619)	-	-	(42,350)
Administrative expenses	(2,578,397)	(96,611)	(1,234,111)	-	(3,909,119)
Operating loss	(1,571,966)	(118,532)	(1,240,845)	-	(2,931,343)
Finance costs	(1,305,286)	-	(3,580)	-	(1,308,866)
Loss before income tax	<u>(2,877,252)*</u>	<u>(118,532)</u>	<u>(1,244,425)</u>	<u>-</u>	<u>(4,240,209)</u>

	International school RM (Unaudited)	Tertiary education RM (Unaudited)	Others RM (Unaudited)	Inter- segment elimination RM (Unaudited)	Total RM (Unaudited)
<b>For the three months ended 30 September 2018</b>					
Revenue	2,768,642	35,915	-	-	2,804,557
Cost of revenue	(3,305,201)	(157,337)	(15,923)	-	(3,478,461)
Gross loss	(536,559)	(121,422)	(15,923)	-	(673,904)
Other revenue and gains	1,613,265	1,900	-	-	1,615,165
Selling and distribution expenses	(302,427)	(1,969)	(802)	-	(305,198)
Administrative expenses	(1,886,363)	(159,546)	(1,052,466)	-	(3,098,375)
Operating loss	(1,112,084)	(281,037)	(1,069,191)	-	(2,462,312)
Finance costs	(920,034)	-	-	-	(920,034)
Loss before income tax	<u>(2,032,118)*</u>	<u>(281,037)</u>	<u>(1,069,191)</u>	<u>-</u>	<u>(3,382,346)</u>

\*There is inconsistency in matching of revenue and expenses because of timing difference. Revenue recognised was for the month of September only whereas costs incurred were for July to September for the above two reporting periods. (Please refer to MD&A on financial review.)

**(b) Geographical information**

For the geographical information, revenue from external customers are based on the location of operations. Since our Group solely operates business in Malaysia and all of the non-current assets of our Group are located in Malaysia, no geographical segment information is presented in accordance with HKFRS 8 Operating Segments.

**(C) Information about major customers**

No revenue from a single customer contributes 10% or more of total revenue of our Group during the three months period ended 30 September 2019.

**4. OTHER REVENUE AND GAINS**

	<b>Three months ended 30 September</b>	
	<b>2019</b>	<b>2018</b>
	<i>RM</i>	<i>RM</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Interest income	<b>26,011</b>	113,582
Liquidated and ascertained damages	-	1,380,000
Others	<b>244,531</b>	121,583
	<b><u>270,542</u></b>	<b><u>1,615,165</u></b>

**5. LOSS BEFORE INCOME TAX**

Loss before income tax is arrived at after charging/(crediting):

	<b>Three months ended 30 September</b>	
	<b>2019</b>	<b>2018</b>
	<i>RM</i>	<i>RM</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Auditor's remuneration	<b>67,278</b>	104,583
Staff costs (including directors' remuneration)	<b>3,580,753</b>	3,425,869
Depreciation of property, plant and equipment	<b>1,421,743</b>	592,356
Property, plant and equipment written off	<b>65,794</b>	-
Minimum lease payments received under operating leases from leasing of properties less outgoings in the period	<b>(18,125)</b>	(5,000)
Minimum lease payments under operating leases recognised as expense in the period	<b><u>56,658</u></b>	<b><u>94,668</u></b>

## 6. INCOME TAX EXPENSE

Malaysian profits tax is calculated at the statutory tax rate of 24% of the estimated taxable profit for the three months ended 30 September 2019 and 2018.

No provision for Hong Kong profits tax has been made as the Group had no taxable profits arising in Hong Kong for the three months period ended 30 September 2019 and 2018. Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

	<b>Three months ended 30 September</b>	
	<b>2019 RM (Unaudited)</b>	<b>2018 RM (Unaudited)</b>
Current Tax – Malaysian profits tax : - Charge for the period	<u>6,243</u>	<u>-</u>
Income tax expense	<u><u>6,243</u></u>	<u><u>-</u></u>

## 7. LOSS PER SHARE

	<b>Three months ended 30 September</b>	
	<b>2019 RM (Unaudited)</b>	<b>2018 RM (Unaudited)</b>
Basic and diluted (RM sen)	<u><u>(0.51)</u></u>	<u><u>(0.41)</u></u>
<b><u>Basic and diluted</u></b>		

The calculation of the basic loss per share is based on the following data:

### Losses

	<b>Three months ended 30 September</b>	
	<b>2019 RM (Unaudited)</b>	<b>2018 RM (Unaudited)</b>
Loss for the period attributable to the owners of the Company	<u><u>(4,060,741)</u></u>	<u><u>(3,300,950)</u></u>
<u>Number of shares</u>		
Weighted average number of ordinary shares in issue during the period	<u><u>800,000,000</u></u>	<u><u>800,000,000</u></u>

## **7. LOSS PER SHARE (continued)**

The weighted average number of ordinary shares for the purpose of calculating basic loss per share has been determined on the assumption that the Reorganisation and the capitalisation issue had been effective on 1 July 2016. There is no diluted loss per shares as there is no potential dilutive share during the periods.

## **8. DIVIDEND**

The Board does not recommend the payment of any dividend for the three months ended 30 September 2019 (three months ended 30 September 2018 : Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

#### **Overview**

During the three months ended 30 September 2019, the Group's principal business remained the provision of education and related services in Malaysia. Revenue generated from international school segment remained as the main driver of our Group's revenue.

### **PROSPECTS AND STRATEGIES**

In the recent Malaysian Government Budget announcement, the Education Ministry again received the lion's share with an allocation of RM64.1 billion, an increase of RM3.9 billion as compared to the previous year's budget demonstrating the continued focus on education in Malaysia. From the department of statistics Malaysia's projected growth, the education services record a gross output value of more than RM20 billion in 2019. This provides a cautiously positive prospect for our Group as our main business is provision of education services in Malaysia. Our Group recorded an increase in profit for the year ended 30 June 2019 as compared to the corresponding period in 2018 as reported in our recently published annual report. In the first quarter we have seen a similar direction in growth in our business as evident in the increase in student number in the services we were providing and also the registration of new students in new services that we initiated in the previous year for implementation this year.

We are beginning to see the return of investment in the completed facilities in the Kingsley International School ("KIS") Annex Building which consist of dormitory rooms, multi-purpose rooms (which consist of workshops, computer laboratory, AV room, lecture hall, multi-purpose hall, etc.) and facilities (which include the olympic-sized swimming pool, gymnasium and gymnastic training facilities). Also we are uniquely located on a hill overlooking a residential area in the capital city center with a 27 acres green belt at the foot of the hill complete with outdoors facilities and with two light rail transit stations nearby.

With the consolidation of our education business in the new facilities we are seeing the initial growth of these businesses in their new location.



## PROSPECTS AND STRATEGIES (continued)

i. Kingsley Residential Hall

With room available for more than 600 beds, Kingsley Residential Hall affords opportunity for multiple development of our Group education business. Firstly it serves as the dormitory rooms for KIS current overseas and out of state students. We have already seen close to 10% of these beds taken up for the first semester of the new academic year. Our Group is cautiously optimistic that the percentage of foreign students will indeed increase in the coming year. Secondly, the rooms also serve for our Group to participate in student mobility programmes and student exchange programmes. There are currently close to a hundred students staying in the Residential Hall who are participating in this programme. This will enhance the reputation and visibility of KIS in other parts of the world especially the People Republic of China (“PRC”) where our Group’s listing in the Stock Exchange affords us close tie to. Thirdly, the use of the rooms also allows KIS to conduct international sporting activities which will again enhanced the reputation and branding of Kingsley in Asia. Several activities such as the International Kukkiwon Taekwondo Event and Inter Club gymnastic carnival have been conducted.

ii. Kingsley Multipurpose Hall, Swimming pool and Gymnastic facilities

The specially constructed hall equipped with specialize laminated floor allows Kingsley to conduct international sporting event. The very first of which was the International Kukkiwon Taekwondo Event which was very successfully conducted. The hall also boast a capacity for 6 badminton courts and a state of the art basketball venue. Together with the olympic sized swimming pool and gymnastic facilities this allows KIS to conduct new extra-curricular activities which generate new streams of revenue. These new activities are currently being conducted in the new academic year which began on 3<sup>rd</sup> September 2019.

iii. Place for Special Needs Children

One of the floors of KIS Annex building has also been developed in partnership with a group of specialist to handle kids with special needs. This is in line with KIS motto of We Care at Kingsley. The partnership generate another new stream of revenue in the form of profit sharing. Renovation is currently on-going and we hope to see the new intake in the near future.

iv. Kingsley Language House

Another floor is also allocated for the Language House which is critical when we intake more foreign students as well as allowing current students to learn important foreign languages such as Mandarin, French and Spanish. Kingsley Language house will serve not just KIS students but also all who seek language training as well as other entity from the tertiary education sector. This sector has already seen close to a hundred students registering for English enhancement programmed in the new academic year.

## PROSPECTS AND STRATEGIES (continued)

### v. Kingsley College

Kingsley College has also been relocated from its previous location in shop lots to the state of the art KIS Annex Building. Class rooms are allocated on one of the floors in the building and facilities will be shared with KIS. This will ensure that all facilities will be fully utilised as it is used by several entity rather than a single one. In partnership with the Malaysian Government Education Sector, Kingsley will work in partnership with state owned University as a Learning Center of the University. This will allow Kingsley College in partnership with the University to conduct accredited Degree, Masters and PhD. This opens up massive opportunities in PRC as all Malaysian state owned University is recognize by the PRC Education Ministry. The business opportunity is already evident in the recently signed agreement with Weifang Institute of Technology (“WIT”), China where WIT will initially send their staff to read PhD in Kingsley College. At this point in time we already have 25 staff from WIT who have fulfilled the IELTS requirement for the PhD programme and who are in the midst of registration and will begin their programme in January 2020. We will later include Masters programmes and other related programmes for Kingsley College.

Our Group also continues to look for suitable investment opportunities both locally and in overseas markets with smart partnerships. Our Group will continue to explore other businesses as part of its efforts to diversify and broaden its revenue base over the longer term.

## FINANCIAL REVIEW

### Revenue

Revenue of our Group for the three months ended 30 September 2019 was approximately RM4.5 million, representing an increase of approximately 61.0% from approximately RM2.8 million for the three months ended 30 September 2018. Our revenue generated from tuition fee collected from our students and from ancillary services provided to our students of our (i) international school, and (ii) tertiary education and other. Such increase was mainly contributed by our new stream of income generated from international school segment, increase of student number as well as increase of revenue from other business segment.

	<b>Three months ended 30 September</b>	
	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
International school	<b>4,314,669</b>	2,768,642
Tertiary education	-	35,915
Other	<b>200,914</b>	-
	<b><u>4,515,583</u></b>	<b><u>2,804,557</u></b>

## FINANCIAL REVIEW (continued)

### Revenue (continued)

	Three months ended 30 September			
	2019		2018	
	RM (Unaudited)	% of revenue	RM (Unaudited)	% of revenue
Tuition fee	1,755,032	38.9%	1,670,241	59.6%
Ancillary services	2,559,637	56.7%	1,134,316	40.4%
Others	200,914	4.4%	-	-
Total	<b>4,515,583</b>	<b>100.0%</b>	<b>2,804,557</b>	<b>100.0%</b>

Our Group's revenue from tuition fee increase from approximately RM1.7 million for the three months ended 30 September 2018 to approximately RM1.8 million for the three months ended 30 September 2019. The increase in revenue from tuition fee was mainly attributable to the increase of student number for the three months ended 30 September 2019.

Tuition fee is initially accounted as contract liabilities and only recognised as revenue progressively when the education services are provided during the academic term, and that the period from July to August is the summer holiday period, during which no education service is provided and accordingly no revenue from tuition fee is recognised during that period. This is consistent with previous reporting year.

Our Group's revenue from ancillary services increased from approximately RM1.1 million for the three months ended 30 September 2018 to approximately RM2.6 million for the three months ended 30 September 2019. The increase in revenue from ancillary services was mainly attributable to the increase in our boarding fee as well as increase in registration and application fee.

Revenue from others represented revenue generated from event business.

### Cost of revenue and gross profit margin

The majority of our Group's cost of revenue primarily consists of teaching staff cost, depreciation of property, plant and equipment and other operational expenses. The cost of revenue increased by approximately 8.3% from approximately RM3.5 million for the three months ended 30 September 2018 to approximately RM3.8 million for the three months ended 30 September 2019 mainly due to increase in teaching staff costs in preparation for the increment in student number for the new academic year, as well as increase in depreciation of property, plant and equipment.

As a result of the foregoing, our Group's recorded gross profit of approximately RM0.7 million with gross profit margin of approximately 16.6% for the three months ended 30 September 2019 as compared to gross loss of approximately of RM0.7 million with gross loss margin of approximately 24.0% for the three months ended 30 September 2018.

### **Other revenue and gains**

Our Group's other revenue and gains decreased from approximately RM1.6 million for the three months ended 30 September 2018 to approximately RM0.3 million for the three months ended 30 September 2019 which was mainly due to Annex Building has been completed and cessation of liquidated ascertained damages.

### **Selling and distribution expenses**

Our Group's selling and distribution expenses decreased from approximately RM0.3 million for the three months ended 30 September 2018 to approximately RM0.04 million for the three months ended 30 September 2019 due to reduction in advertising spending.

### **Administrative expenses**

Administrative expenses of our Group had been increased from approximately RM3.1 million for the three months ended 30 September 2018 to approximately RM3.9 million for the three months ended 30 September 2019. The increase was mainly due to increase in administrative staff costs, utilities expenses as well as increase in depreciation of property, plant and equipment due to Annex Building operational during the three months ended 30 September 2019.

### **Finance costs**

Finance costs increased from approximately RM0.9 million for the three months ended 30 September 2018 to approximately RM1.3 million for the three months ended 30 September 2019. The increase in finance costs was mainly due to our increase in our existing term loan interest and partly offset by the revolving loan interest which was fully paid down in September 2019.

### **Loss attributable to the owners of the Company**

Loss attributable to the owners of the Company increased from approximately RM3.4 million for the three months ended 30 September 2018 to RM4.2 million for the three months ended 30 September 2019. The increase in loss was mainly contributed by the decrease in other income as well as increase in administrative cost.

## USE OF NET PROCEEDS FROM THE LISTING

The issued ordinary shares of the Company were successfully listed on GEM of the Stock Exchange on 16 May 2018 (“**Listing Date**”) at HK\$0.40 per share. The proceeds (net of listing expenses) were approximately RM31.4 million. As stated in the section headed “Future Plans and Use of Proceeds” in the Company’s prospectus dated 30 April 2018, the Company intends to continue to apply the net proceeds in accordance with the proposed allocations set out below.

<b>Use of net proceeds</b>	<b>Amount of net proceeds allocated upon listing</b>	<b>Amount utilised up to 30 September 2019</b>	<b>Balance as at 30 September 2019</b>
	<i>(RM million)</i>	<i>(RM million)</i>	<i>(RM million)</i>
Settlement of fees for constructing the KIS Annex Building	12.0	(12.0)	-
Renovation of the KIS Annex Building	15.0	(13.3)	1.7
Purchase of facilities for KIS Annex Building	4.4	(1.4)	3.0
<b>Total</b>	<b>31.4</b>	<b>(26.7)</b>	<b>4.7</b>

## OTHER INFORMATION

### SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES, AND FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

There were neither significant investment held as at 30 September 2019 nor material acquisitions and disposals of subsidiaries during the three months period ended 30 September 2019. There is no plan for material investment or capital assets as at 30 September 2019.

### CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 September 2019 (30 September 2018 : Nil).

### PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company’s listed securities for the three months ended 30 September 2019.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 September 2019, the interest and short positions of the Directors and the chief executive of the Company in the share, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Cap. 571 of the laws of Hong Kong) (the “SFO”)) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) have to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

### Long positions in shares of the Company

Name of Directors	Capacity/Nature of interest	Number of shares <sup>(1)</sup>	Percentage of shareholding <sup>(2)</sup>
Tan Sri Dato' Sri Goh Ming Choon (“Tan Sri Barry Goh”)	Interests of controlled corporation and concert party <sup>(3)</sup>	552,000,000	69.00%
Dato' Danny Goh Meng Keong (“Dato' Danny Goh”)	Interests of controlled corporation and concert party <sup>(3)</sup>	552,000,000	69.00%
Dato' Law Boon Hee	Interests of controlled corporation <sup>(4)</sup>	48,000,000	6.00%

*Notes:*

*(1) All interest stated are long positions.*

*(2) The calculation is based on the total number of 800,000,000 Shares in issue as at 30 September 2019.*

*(3) On 14 September 2017, Tan Sri Barry Goh and Dato' Danny Goh entered into a confirmation deed (the “Confirmation Deed”) to acknowledge and confirm, among other things, that they have been and will be actively cooperating, communicating, and acting in concert with each other with respect to their interest in or the business of the relevant members of our Group since they became shareholders of Kingsley International and will continue to act in concert after the signing of the Confirmation Deed. For further details, please refer to the section headed “History, Development and Reorganisation – Confirmation Deed” in the prospectus of the Company dated 30 April 2018.*

*The aggregate of 552,000,000 shares interested by them in aggregate consist of (i) 496,000,000 shares beneficially owned by Star Shine Finance Limited (“Star Shine”), which in turn is beneficially wholly-owned by Tan Sri Barry Goh; and (ii) 56,000,000 shares beneficially owned by DGMK Investment Limited (“DGMK”), which in turn is beneficially wholly-owned by Dato' Danny Goh. Each of Tan Sri Barry Goh and Dato' Danny Goh is deemed to be interested in all the shares held or deemed to be held by them by virtue of the disclosure requirements of the SFO.*

*(4) The entire issued share capital of Eduking Investment Limited (“Eduking Investment”) is owned by Dato' Law. Therefore, Dato' Law is deemed to be interested in 48,000,000 shares held by Eduking Investment by virtue of the disclosure requirements of the SFO.*

### Long position in the ordinary shares of associated corporation

Name of Directors	Name of associated corporations	Capacity/Nature of interest	Number of ordinary shares	Percentage of shareholding
Tan Sri Barry Goh	Star Shine	Beneficial owner	1 share of US\$1.00	100%
Dato' Danny Goh	DGMK	Beneficial owner	1 share of US\$1.00	100%
Dato' Law Boon Hee	Eduking Investment	Beneficial owner	1 share of US\$1.00	100%

Save as disclosed above, as at 30 September 2019, none of the Directors and the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have under such provision of the SFO) or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which would be required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

### SUBSTANTIAL SHAREHOLDERS' AND OTHERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2019, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interest or short position in shares or underlying shares which fell to be disclosed to the Company and the Stock Exchange under the provision of Division 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholders	Capacity/Nature of interest	Number of shares held	Percentage of shareholding
Star Shine	Beneficial owner and concert party <sup>(1)</sup>	552,000,000	69.00%
Puan Sri Toh Siew Choo	Interest of spouse <sup>(2)</sup>	552,000,000	69.00%
DGMK	Beneficial owner and concert party <sup>(1)</sup>	552,000,000	69.00%
Datin See Choon Keok	Interest of spouse <sup>(3)</sup>	552,000,000	69.00%
Eduking Investment	Beneficial owner	48,000,000	6.00%

*Note:*

*(1) On 14 September 2017, Tan Sri Barry Goh and Dato' Danny Goh entered into a confirmation deed to acknowledge and confirm, among other things, that they have been and will be actively cooperating, communicating, and acting in concert with each other with respect to their interest in or the business of the relevant members of our Group since they became shareholders of Kingsley International and will continue to act in concert after the signing of the Confirmation Deed. For further details, please refer to the section headed "History, Development and Reorganisation – Confirmation Deed" in the prospectus of the Company dated 30 April 2018. The aggregate of 552,000,000 Shares interested by them in aggregate consist of (i) 496,000,000 shares beneficially owned by Star Shine, which in turn is beneficially wholly-owned by Tan Sri Barry Goh; and (ii) 56,000,000 shares beneficially owned by DGMK, which in turn is beneficially wholly-owned by Dato' Danny Goh. Each of Tan Sri Barry Goh and Dato' Danny Goh is deemed to be interested in all the shares held or deemed to be held by them by virtue of the disclosure requirements of the SFO.*

*(2) Puan Sri Toh Siew Choo is the spouse of Tan Sri Barry Goh and is deemed to be interested in the shareholding interests of Tan Sri Barry Goh by virtue of the disclosure requirement of the SFO.*

*(3) Datin See Choon Keok is the spouse of Dato' Danny Goh and is deemed to be interested in the shareholding interests of Dato' Danny Goh by virtue of the disclosure requirement of the SFO.*

## **DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

Save as otherwise disclosed, no Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a Party during the periods.

## **CORPORATE GOVERNANCE**

The Board of the Company is committed to achieving high corporate governance standards.

The Board believes that good corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Group's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 15 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**GEM Listing Rules**").

During the three months ended 30 September 2019, the Company has complied with the CG Code.



## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the “required standard of dealings” set out in Rules 5.46 to 5.67 of the GEM Listing Rules as the code regarding securities transactions by the Directors in respect of the shares of the Company (the “**Model Code**”). The Company has made specific enquiry to all the Directors, and all Directors have confirmed that, they have fully complied with Model Code during the three months ended 30 September 2019.

## **INTEREST OF COMPLIANCE ADVISER**

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed China Everbright Capital Limited (“**CECL**”) to be the compliance adviser. CECL, being the sponsor to the listing, has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. Except for the compliance adviser agreement entered into between the Company and the compliance adviser dated 8 September 2017, neither CECL nor its directors, employees or close associates had any interests in relation to the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company complies with the minimum of public float of 25%.

## **COMPETING INTEREST**

During the three months ended 30 September 2019 and up to the date of this announcement, the Directors are not aware of any business or interest of the Directors, the management of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

## **AUDIT COMMITTEE AND REVIEW OF QUARTERLY RESULTS**

The audit committee has been established with its terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules, and code provisions C.3.3 and C.3.7 of the CG Code. The audit committee consists of three independent non-executive Directors, namely Prof. Dr. Rozainun Binti Abdul Aziz (Chairlady), Prof. Emeritus Tan Sri Dato’ Mohamed Salleh Bin Mohamed Yasin and Tan Sri Dato’ Hj Abd Karim Bin Shaikh Munisar.

The audit committee is to assist the Board in fulfilling its responsibilities by providing an independent review and supervision of financial reporting, by satisfying themselves as to the effectiveness of the internal controls of our Group, and as to the adequacy of the external and internal auditors.

The audit committee is also responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

## **AUDIT COMMITTEE AND REVIEW OF QUARTERLY RESULTS (continued)**

The audit committee of the Board and the management of the Company have reviewed the accounting principles and practices adopted by our Group and the unaudited condensed financial statements for the three months ended 30 September 2019. The audit committee is of the opinion that the unaudited condensed consolidated financial statements of the Group for the three months ended 30 September 2019 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosure have been made.

## **PUBLICATION OF QUARTERLY RESULTS ANNOUNCEMENT**

This first quarterly results announcement will be published on the GEM website at [www.hkgem.com](http://www.hkgem.com) and the Company's website at [www.kingsley.edu.my](http://www.kingsley.edu.my).

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

Subang Jaya, Malaysia, 4 November 2019

*As at the date of this announcement, the executive Directors are Tan Sri Dato' Sri Goh Ming Choon, Dato' Danny Goh Meng Keong and 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 will remain on the "Latest Company Announcements" page on the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting and on the Company's website at [www.kingsley.edu.my](http://www.kingsley.edu.my).*