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China Maple Leaf Educational Systems Limited
中國楓葉教育集團有限公司*
*(Incorporated in the Cayman Islands
with limited liability)*
(Stock code: 1317)



Kingsley Edugroup Limited
皇壹國際教育企業集團有限公司
*(Incorporated in the Cayman Islands with
limited liability)*
(Stock code: 8105)

Maple Leaf Education Asia Pacific Limited
楓葉教育亞太有限公司
*(Incorporated in the Hong Kong
with limited liability)*

JOINT ANNOUNCEMENT

**(1) VOLUNTARY CONDITIONAL GENERAL CASH OFFER
BY BALLAS CAPITAL LIMITED
ON BEHALF OF
MAPLE LEAF EDUCATION ASIA PACIFIC LIMITED
TO ACQUIRE ALL THE ISSUED SHARES IN THE SHARE CAPITAL
OF
KINGSLEY EDUGROUP LIMITED (OTHER THAN THOSE ALREADY
OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT);
(2) POSSIBLE PRIVATISATION; AND
(3) POSSIBLE DISCLOSEABLE TRANSACTION FOR CHINA MAPLE
LEAF EDUCATIONAL SYSTEMS LIMITED**

**Financial Adviser to
the Offeror**

BALLAS
C A P I T A L

* For identification purpose only

THE VOLUNTARY GENERAL CASH OFFER

The Offeror and Kingsley are pleased to announce that on 24 January 2020 (after trading hours), the Offeror had informed the Kingsley Board that, Ballas Capital, on behalf of the Offeror, is making a voluntary conditional general cash offer to acquire all the Kingsley Shares (other than those already owned or agreed to be acquired by the Offeror and the Offeror Concert Parties) at a price of HK\$0.54 per Kingsley Share.

The Offer Price represents a premium of 12.5% over the closing price of HK\$0.48 per Kingsley Share as quoted on the Stock Exchange on the Last Trading Date. The Offer shall be extended to all Kingsley Shareholders in accordance with the Takeovers Code.

The Offer shall be conditional upon, among other things, the Offeror having received valid acceptances for the Kingsley Shares (which are not, if permitted, withdrawn) under the Offer and/or having purchased or acquired Kingsley Shares representing in aggregate not less than 90% of the Offer Shares and not less than 90% of the Disinterested Kingsley Shares (being issued Kingsley Shares other than those being held by the Offeror or the Offeror Concert Parties).

If the Acceptance Shares represent in aggregate not less than 90% of the Offer Shares and not less than 90% of the Disinterested Kingsley Shares (being issued Kingsley Shares other than those being held by the Offeror or the Offeror Concert Parties), the Offeror will exercise the compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and the Companies Law to privatise Kingsley as further described in the section headed “COMPULSORY ACQUISITION RIGHTS AND WITHDRAWAL FROM LISTING” below. The Offeror will not waive the pre-condition of the Offer in respect of the acceptance level of the Offer. Accordingly, if the Acceptance Shares represent in aggregate less than 90% of the Offer Shares or less than 90% of the Disinterested Kingsley Shares, the Offer will lapse.

Upon the Offer Conditions being fulfilled, the Offer will become or be declared unconditional in all respects in accordance with the Takeovers Code. Any valid acceptances already lodged (and not withdrawn) will be processed, and the relevant Kingsley Shares assented to the Offer shall be transferred from the accepting Kingsley Shareholders to the Offeror accordingly. The Offer, if so become or be declared unconditional, will also remain open for acceptance for at least 14 days thereafter in accordance with the Takeovers Code. If the Offer Conditions are not fulfilled, the Offer will lapse in accordance with the Takeovers Code. Further announcement will be issued by the Offeror and Kingsley in accordance with the Takeovers Code.

INTERESTS IN KINGSLEY SHARES

As at the Announcement Date, the Offeror and the Offeror Concert Parties do not have any interest in the Kingsley Shares.

COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING

Pursuant to Rule 2.11 of the Takeovers Code, except with the consent of the Executive, where any person seeks to acquire or privatize a company by means of an offer and the use of compulsory acquisition rights, such rights may only be exercised if, in addition to satisfying any requirement imposed by law, acceptances of the offer and purchases (in each case of the disinterested shares) made by the offeror and persons acting in concert with it during the period of four (4) months after posting of the initial offer document total 90% of the disinterested shares.

If the Offeror acquires not less than 90% of the Offer Shares (by virtue of the acceptances of the Offer or otherwise) and not less than 90% of the Disinterested Kingsley Shares (being issued Kingsley Shares other than those being held by the Offeror or the Offeror Concert Parties) within, but not exceeding, the period of 4 months after posting the initial Offer Document, the Offeror intends to privatise Kingsley by exercising the compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and the Companies Law to acquire the Remaining Shares, and following which the listing of Kingsley on GEM shall be withdrawn pursuant to Rule 9.23 of the GEM Listing Rules. Kingsley will comply with the relevant requirements in the GEM Listing Rules in this regard.

The Offeror will comply with Rule 15.6 of the Takeovers Code which requires that the Offers may not remain open for more than four (4) months from the despatch of the Offer Document, unless the Offeror has by that time become entitled to exercise the right of compulsory acquisition.

COMMITMENT BY THE COVENANTING KINGSLEY SHAREHOLDERS TO ACCEPT THE OFFER UNDER THE IRREVOCABLE UNDERTAKINGS

On 24 January 2020 (after trading hours), each of the Covenanting Kingsley Shareholders has given the Irrevocable Undertakings in favour of the Offeror, pursuant to which each of the Covenanting Kingsley Shareholders has irrevocably undertaken to the Offeror, among others, to accept, or procure the acceptance of, the Offer in respect of the Kingsley Shares held by the Covenanting Kingsley Shareholders respectively (being 600,000,000 Kingsley Shares). The shares subject to the aforesaid Irrevocable Undertakings represents an aggregate of 75% of the total issued shares of Kingsley as at the Announcement Date.

As at the Announcement Date, apart from the Irrevocable Undertakings, neither the Offeror nor the Offeror Concert Parties has received any indication or irrevocable commitment from any Kingsley Shareholder to accept or reject the Offer.

Further details of the Irrevocable Undertakings are set out in the paragraph headed "Commitment by the Covenanting Kingsley Shareholders to accept the Offers under the Irrevocable Undertakings" of this joint announcement.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER OF KINGSLEY

An Independent Board Committee comprising all the independent non-executive Kingsley Directors, namely Professor 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, has been formed to advise the Independent Kingsley Shareholders as to whether the Offer is fair and reasonable and as to acceptance of the Offer.

Kingsley, with the approval of the independent committee of the Kingsley Board, will appoint, as soon as reasonably practicable, an independent financial adviser to advise the Independent Board Committee and the Independent Kingsley Shareholders in respect of the Offer and, in particular, as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. The advice of the Independent Financial Adviser will be contained in the Response Document in respect of the Offer. A further announcement will be made by Kingsley as soon as possible after the appointment of the Independent Financial Adviser.

DESPATCH OF THE OFFER DOCUMENT

In accordance with Rule 8.2 of the Takeovers Code, the Offeror will despatch the Offer Document containing, among others, the terms and conditions of the Offers, and the forms of acceptance and transfer of the Offer Shares, to the Kingsley Shareholders, within 21 days of the Announcement Date. It is expected that the Offer Document will be issued on or before 19 February 2020.

DESPATCH OF THE RESPONSE DOCUMENT

In accordance with Rule 8.4 of the Takeovers Code, Kingsley will despatch the Response Document containing, among others, the Independent Financial Adviser's advice and Independent Board Committee's views on the terms and conditions of the Offer within 14 days of the posting of the Offer Document.

POSSIBLE DISCLOSEABLE TRANSACTION FOR MAPLELEAF

As the highest of the relevant percentage ratios under Rule 14.07 of the Listing Rules for the potential acquisition of Kingsley Shares by the Offeror under the Offer is more than 5% but less than 25%, the Offer constitutes a discloseable transaction of Mapleleaf under the Listing Rules and is subject to the announcement requirement but is exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

WARNINGS:

Kingsley Shareholders, Mapleleaf Shareholders and potential investors should note that the implementation of the Offer is subject to the fulfilment of the Offer Conditions. Thus, the Offer may or may not become or be declared unconditional. Kingsley Shareholders, Mapleleaf Shareholders and potential investors are reminded to exercise caution when dealing in the shares of Kingsley and Mapleleaf. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institutions in securities, bank manager, solicitor, professional accountant or other professional advisers.

THE OFFER

On 24 January 2020 (after trading hours), the Offeror had informed the Kingsley Board that Ballas Capital, on behalf of the Offeror, is making a voluntary conditional general cash offer to acquire all the Kingsley Shares (other than those already owned or agreed to be acquired by the Offeror and the Offeror Concert Parties). As at the Announcement Date, the Offeror and the Offeror Concert Parties were not interested directly or indirectly in the issued share capital of Kingsley. The Offer shall be made on the following basis:

For each Offer ShareHK\$0.54 in cash

According to Rule 18.3 of the Takeovers Code, where a firm statement regarding the offer price is made, the Offeror will only be allowed to subsequently amend the terms of the Offer in wholly exceptional circumstance. The Offeror will not increase the Offer Price as set out above. Kingsley Shareholders and potential investors of Kingsley should be aware that, following the making of the above statement, the Offeror does not reserve the right to increase the Offer Price.

As at the Announcement Date, Kingsley has no outstanding securities, options, derivatives or warrants which are convertible or exchangeable into Kingsley Shares and has not entered into any agreement for the issue of such securities, options, derivatives or warrants of Kingsley.

THE OFFER PRICE

The Offer Price of HK\$0.54 represents:

- (i) a premium of 12.5% over the closing price of HK\$0.48 per Kingsley Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a premium of approximately 8.43% over the average closing price of approximately HK\$0.498 per Kingsley Share for the 5 trading days up to and including the Last Trading Date;

- (iii) a premium of approximately 7.57% over the average closing price of approximately HK\$0.502 per Kingsley Share for the 10 trading days up to and including the Last Trading Date;
- (iv) a premium of approximately 4.25% over the average closing price of approximately HK\$0.518 per Kingsley Share for the 30 trading days up to and including the Last Trading Date; and
- (v) a premium of approximately 198.34% to the audited consolidated net asset value per Kingsley Share of approximately RM0.095 (equivalent to approximately HK\$0.181) as at 30 June 2019.

CLOSING OF OFFER

In accordance with the Takeovers Code, the First Closing Date of the Offer will fall on or after the 21st day from the date of the Offer Document. Where the Offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than 14 days thereafter.

CONDITIONS OF THE OFFER

The Offer shall be conditional upon the satisfaction of the following Offer Conditions on or before the Closing Date unless otherwise waived by the Offeror:

1. All the documents, licenses, permits, accounts (both audited and unaudited), representations and statements provided by Kingsley in relation to Kingsley, its subsidiaries and the School are legal, true, accurate, complete and not misleading as at the Closing Date;
2. All the approvals, consents and permits in relation to the change in the shareholding in the Kingsley Group (including but not limited to the change in shareholding in the Kingsley Group held by Tan Sri Barry Goh) and a change in the management of Kingsley International) resulting from the Offer shall be obtained from all relevant banks and/or financial institutions providing banking facilities to the Kingsley Group, including but not limited to OCBC Al-Amin Bank Berhad (OCBC RCF-I facility) and CIMB Islamic Bank Berhad (CIMB TF-I facility), by the Kingsley Group on or before the Closing Date;
3. Valid acceptance of the Offer having been received (and not, where permitted, withdrawn) in respect of such number of Shares which would result in the Offeror holding at least 90% of the Offer Shares and not less than 90% of the Disinterested Kingsley Shares (being issued Kingsley Shares other than those being held by the Offeror or the Offeror Concert Parties).

4. The Kingsley Shares remaining, during the Interim Period, listed and trading on the Stock Exchange and there being, up to the Closing Date, no indication from the Stock Exchange or the SFC that the listing and/or trading of the Kingsley Shares on the Stock Exchange will be revoked or objected for reason other than any suspension of trading in the Kingsley Shares due to insufficient public float in the Kingsley Shares immediately after the Closing Date, or any suspension of trading in the Kingsley Shares pending clearance of the transactions contemplated under the Offer by the SFC and/or the Stock Exchange);
5. From the date of making the Offer, (i) there shall have occurred no material adverse effect with respect to the financial conditions or operating performance of the Kingsley Group as a whole and (ii) there shall have occurred no material adverse change in the applicable laws of all jurisdictions in which the Kingsley Group operates which may have a material adverse effect on the Kingsley Group as a whole;
6. As of the Closing Date, Kingsley nor other members of the Kingsley Group shall have breached or failed to comply (and there shall have occurred no event which causes Kingsley or other members of the Kingsley Group to not perform) any deeds, agreements, leases, mortgages, trust deeds, covenants or loan agreements to which Kingsley or other members of the Kingsley Group is a party or which has binding effect on the respective assets of Kingsley or other members of the Kingsley Group and the breach of which may have material adverse effect with respect to the financial conditions or operating performance of the Kingsley Group as a whole;
7. No event having occurred which would make any of the Offer or the acquisition of any of the Offer Shares void, unenforceable or illegal or prohibit implementation of any of the Offer or would impose any additional material conditions or obligations with respect to any of the Offer or any part thereof; and
8. No relevant government, governmental, quasi-government, statutory or regulatory body or court in Hong Kong or any other jurisdictions having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make any of the Offer, the irrevocable undertaking letter or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to any of the Offer or its implementation in accordance with its terms).

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke the above Offer Conditions as basis for not proceeding with the Offer only if the circumstances which give rise to a right to invoke such conditions are of material significance to the Offeror in the context of the Offer. The Offeror will not waive condition numbered (3) above in respect of the acceptance level of the Offer. All other Offer Conditions can be waived by the Offeror. If any of the above conditions cannot be fulfilled or waived by the Closing Date, the Offer will lapse.

As of the Announcement Date, none of the Offer Conditions has been satisfied.

If the Acceptance Shares represent in aggregate not less than 90% of the Offer Shares and not less than 90% of the Disinterested Kingsley Shares (being issued Kingsley Shares other than those being held by the Offeror or the Offeror Concert Parties), the Offeror will exercise the compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and the Companies Law to privatise Kingsley as further described in the section headed “COMPULSORY ACQUISITION RIGHTS AND WITHDRAWAL FROM LISTING” below.

Upon the Offer Conditions being fulfilled, the Offer will become or be declared unconditional in all respects in accordance with the Takeovers Code. Any valid acceptances already lodged (and not withdrawn) will be processed and the relevant Kingsley Shares assented to the Offer shall be transferred from the accepting Independent Kingsley Shareholders to the Offeror accordingly. The aggregate shareholdings of the Offeror Concert Parties will be increased to that extent. The Offer, if so become or declared unconditional, will also remain open for acceptance for at least 14 days thereafter in accordance with the Takeovers Code. If the Offer Conditions are not fulfilled, the Offer will lapse in accordance with the Takeovers Code. Further announcement will be issued by the Offeror and Kingsley in accordance with the Takeovers Code.

EFFECT OF ACCEPTING THE OFFER

Subject to the Offer becoming unconditional, provided that valid acceptance forms and the relevant certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order and have been received by the branch share registrar of Kingsley in Hong Kong, the Shareholders will sell their tendered Shares to the Offeror free from all encumbrances and together with all rights attaching to them, including, without limitation, the rights to receive in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a record date on or after the date on which the Offer is made, that is, the date of despatch of the Offer Document.

Acceptances of the Offers will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Kingsley Directors confirms that Kingsley does not have any intention to make, declare or pay any dividend until the closing of the Offer and that no dividend or distribution has been made or declared by Kingsley since its incorporation on 12 January 2017 up to the Announcement Date.

COMPULSORY ACQUISITION RIGHTS AND WITHDRAWAL FROM LISTING

If the Offeror acquires not less than 90% of the Offer Shares (by virtue of the acceptances of the Offer or otherwise) and not less than 90% of the Disinterested Kingsley Shares (being issued Kingsley Shares other than those being held by the Offeror or the Offeror Concert Parties) within, but not exceeding, the period of 4 months after posting the initial Offer Document, the Offeror intends to privatise Kingsley by exercising the compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and the Companies Law to acquire the Remaining Shares, and following which the listing of Kingsley on GEM shall be withdrawn pursuant to Rule 9.23 of the GEM Listing Rules. Kingsley will comply with the relevant requirements in the GEM Listing Rules in this regard.

Whilst it is the intention of the Offeror to privatise the Offeree, the Offeror's ability to exercise rights of compulsory acquisition in respect of the Offer Shares is dependent on the level of acceptance of the Offer reaching the prescribed level under the Cayman Islands Companies Law and on the requirements of Rule 2.11 of the Takeovers Code being satisfied. If the Offer Shares validly tendered for acceptance under the Offer are less than 90% of the Offer Shares or less than 90% of the Disinterested Kingsley Shares (being issued Kingsley Shares other than those being held by the Offeror or the Offeror Concert Parties), the Offer will not become unconditional and will lapse and in such event, Kingsley Shares will remain listed on GEM.

HIGHEST AND LOWEST KINGSLEY SHARE PRICES

During the six-month period preceding the Last Trading Date, the highest and lowest closing price of the Kingsley Shares as quoted on the Stock Exchange was HK\$0.72 per Kingsley Share on 25 and 26 July and 2 and 5 August 2019 and HK\$0.395 per Kingsley Share on 30 September 2019, respectively.

VALUE OF THE OFFER

On the basis of the Offer Price and 800,000,000 Kingsley Shares in issue as at the Announcement Date, the entire issued share capital of Kingsley is valued under the Offer at HK\$432 million. Accordingly, the total consideration payable by the Offeror will be HK\$432 million.

CONFIRMATION OF FINANCIAL RESOURCES

The Offeror will satisfy the cash consideration payable under the Offer from the internal resources of the Offeror Concert Parties. Ballas Capital, the financial adviser of the Offeror, is satisfied that sufficient financial resources are available to the Offeror for the full implementation of the Offer.

PAYMENT AND KINGSLEY SHARE CERTIFICATES

Payment in cash in respect of the acceptances of the Offer will be made as soon as possible but in any event within 7 Business Days of the later of the date the Offer becomes or is declared unconditional and the date of receipt of a duly completed acceptance pursuant to Rule 20.1(a) of the Takeovers Code.

If the Offer lapses, the Offeror will, as soon as possible but in any event within 10 days thereof, post the Kingsley Share certificates lodged with the form of acceptance and transfer of Kingsley Shares to, or make such Kingsley Share certificates available for collection by, those Independent Kingsley Shareholders who accepted the Offer.

HONG KONG STAMP DUTY

Seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by each Kingsley Shareholder at the rate of HK\$1 for every HK\$1,000 or part thereof of the consideration payable for such acceptance and will be deducted from the cash amount due to such Kingsley Shareholder under the Offer.

SHAREHOLDING STRUCTURE

The table below sets out the shareholding structure of Kingsley as at the Announcement Date and immediately after the completion of the Offer (assuming that the Offer is fully accepted by the Kingsley Shareholders):

Kingsley Shareholders	As at the Announcement Date		Immediately after the completion of the Offer (assuming that the Offer is fully accepted by the Kingsley Shareholders) (Note 4)	
	Number of Kingsley Shares	% of the total issued Kingsley Shares	Number of Kingsley Shares	% of the total issued Kingsley Shares
Star Shine (Note 1)	496,000,000	62.00	0	0.00
DGMK Investment (Note 2)	56,000,000	7.00	0	0.00
Eduking Investment (Note 3)	48,000,000	6.00	0	0.00
Other Kingsley Shareholders	200,000,000	25.00	0	0.00
The Offeror and the Offeror Concert Parties	0	0.00	800,000,000	100.00
Total	800,000,000	100.00	800,000,000	100.00

Notes:

- As at the Announcement Date, Tan Sri Barry Goh, being an executive Kingsley Director, holds the entire issued share capital of Star Shine which, in turn, holds 496,000,000 Kingsley Shares.
- As at the Announcement Date, Dato' Danny Goh, being an executive Kingsley Director, holds the entire issued share capital of DGMK Investment which, in return, holds 56,000,000 Kingsley Shares.
- As at the Announcement Date, Dato' Law Boon Hee holds the entire issued share capital of Eduking Investment which, in turn, holds 48,000,000 Kingsley Shares.
- In the event of full acceptance of the Offer, Kingsley will become a wholly-owned subsidiary of Mapleleaf, and the separate listing of Kingsley Shares on GEM shall be withdrawn pursuant to Rule 9.23 of the GEM Listing Rules.

As at the Announcement Date, (i) Kingsley had a total issued share capital of 800,000,000 Kingsley Shares and did not have any outstanding options, derivatives, warrants or other securities which are convertible or exchangeable into Kingsley Shares, and (ii) the Offeror and the Offeror Concert Parties did not own any relevant securities in Kingsley.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the Hong Kong with limited liability in 2009. The Offeror is an investment holding company and its major assets include an indirectly held school campus in Singapore acquired in September 2016. The sole beneficial owner and the ultimate holding company of the Offeror is Mapleleaf.

Mapleleaf is listed on the Main Board of the Stock Exchange from 28 November 2014, and is a leading international school operator, from preschool to grade 12 (“**K-12**”) education, in the PRC as measured by student enrolment. Founded in 1995, Mapleleaf’s headquarters is located at Dalian, Liaoning Province, China. With over twenty-four years’ of experience in operating international schools in China, Mapleleaf provides high quality K-12 education by combining the merits of both Western and Chinese educational philosophies in 23 cities in China, British Columbia, Canada and Australia, namely Dalian, Wuhan, Tianjin, Chongqing, Zhenjiang, Luoyang, Ordos, Shanghai, Pingdingshan, Yiwu, Jingzhou, Pinghu, Xi’an, Huai’an, Yancheng, Huzhou, Weifang, Haikou, Shenzhen, Xiangyang, Kamloops, Richmond and Adelaide.

Mr. Shu Liang Sherman Jen is the controlling shareholder of Mapleleaf and is interested in approximately 51.33% of the issued share capital of Mapleleaf as at the Announcement Date.

INFORMATION ON KINGSLEY

Kingsley is incorporated in the Cayman Islands with limited liability, the shares of which have been listed on the GEM since 16 May 2018. The Kingsley Group is a private education service provider based in Subang Jaya, Selangor, Malaysia which principally offers courses ranging from nursery to A-levels courses primarily based on curriculum developed by University of Cambridge International Examinations and England National Curriculum through the School (K12 services), and tertiary education programmes through the Kingsley Tertiary Institutions (comprising Kingsley Skills College, Kingsley Professional Centre and Kingsley College).

Highlights of the consolidated results of Kingsley as extracted from the annual reports of Kingsley for the year ended 30 June 2018 and 2019 and the interim results announcement of Kingsley for the six months ended 31 December 2019 are set out below:

	For the six months ended 31 December 2019 (unaudited) RM'000	For the year ended 30 June 2019 (audited) RM'000	For the year ended 30 June 2018 (audited) RM'000
Revenue	14,109	30,998	30,007
Profit/(Loss) before income tax	(5,102)	2,069	1,288
Profit/(Loss) for the year/period	(5,115)	2,151	1,180
Profit/(Loss) attributable to:			
Equity holders of Kingsley	(4,870)	2,252	1,510
Minority interest	(245)	(101)	(330)
Basic earnings per Kingsley Share (<i>RM sen</i>)	(0.61)	0.28	0.24

The audited consolidated net assets attributable to the Kingsley Shareholders were approximately RM76,266,000 (approximately HK\$144,905,400) as at 30 June 2019 and approximately RM68,519,000 (approximately HK\$130,186,100) as at 30 June 2018.

INTENTIONS OF THE OFFEROR

If the Offeror acquires not less than 90% of the Offer Shares (by virtue of the acceptances of the Offer or otherwise) and not less than 90% of the Disinterested Kingsley Shares (being issued Kingsley Shares other than those being held by the Offeror or the Offeror Concert Parties) within, but not exceeding, the period of 4 months after posting the initial Offer Document, the Offeror intends to privatise Kingsley by exercising the compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and the Companies Law to acquire the Remaining Shares, and following which the listing of Kingsley on GEM shall be withdrawn pursuant to Rule 9.23 of the GEM Listing Rules. Kingsley will comply with the relevant requirements in the GEM Listing Rules in this regard.

Kingsley Board currently consists of six Kingsley Directors, comprising three executive Kingsley Directors and three independent non-executive Kingsley Directors. It is the Offeror's intention that the Outgoing Directors, being all of the existing directors of Kingsley, shall cease to be directors of Kingsley with effect from the earliest date permitted under Rule 7 and other provisions of the Takeovers Code (which is the First Closing Date, or the date when the Offer becomes or is declared unconditional, whichever is the later).

It is the intention of the Offeror to cease the tertiary education segment and focus on the international school segment business of the Kingsley Group. Accordingly, the Offeror intends to deregister the following member entities of Kingsley Group (collectively, the “**Relevant Kingsley Entities**”) after completion of the Offer:

- Kingsley Graduate School Malaysia Sdn Bhd;
- Kingsley Professional Centre Sdn Bhd;
- Kingsley Skills Sdn Bhd;
- Kingsley Advisory And Strategic Initiatives Sdn Bhd;
- Kingsley Language House Sdn Bhd; and
- Kingsley Catering Sdn Bhd

Except for the Outgoing Directors and the deregistration of the Relevant Kingsley Entities as set out above, the Offeror does not have any intention to introduce any significant changes to the existing operations and management of the Kingsley Group, nor does it have any intention to make any significant changes to the continued employment of the Kingsley Group’s employees.

ACQUISITION OF KIS ANNEX LAND AND COVENANTING KINGSLEY SHAREHOLDERS ESCROW ARRANGEMENT

As at the Announcement Date, Kingsley Hills is the registered owner of the KIS Annex Land, upon which the Offeree operates its School. Kingsley Hills is indirectly wholly owned by Tan Sri Barry Goh (chairman and controlling shareholder of Offeree). Tan Sri Barry Goh wholly owned Star Shine which in turn held 62% issued shares of the Offeree. Star Shine is one of the Covenanting Kingsley Shareholders which has executed the Irrevocable Undertakings to accept the Offer.

As disclosed on page 209 of Kingsley’s prospectus dated 30 April 2018, Kingsley Hills entered into a sale and purchase agreement dated 18 April 2018 with Kingsley International (Kingsley’s indirectly wholly-owned subsidiary), pursuant to which Kingsley Hills agreed to transfer the KIS Annex Land to Kingsley International at a nominal consideration of RM10 on 31 December 2018 or any other date as agreed between the parties. Kingsley has been using the KIS Annex Land free of charge pending the completion of formal transfer of land title from Kingsley Hills to Kingsley International. The School’s annex building is situated

on the KIS Annex Land. As agreed between Kingsley Group and Kingsley Hills, the title transfer of KIS Annex Land would be completed within three months after the Offer becomes unconditional, for the following reasons:

- (1) Kingsley has been using the KIS Annex Land free of charge pending the completion of formal transfer of land title thereof, hence Kingsley would not need to pay extra rental or consideration above the nominal consideration of RM10, and accordingly the timing of acquisition of KIS Annex Land would not affect Kingsley's usage of or consideration payable for the KIS Annex Land;
- (2) KIS Annex Land is currently subject to a charge (the "**KIS Annex Land Charge**") in favour of Affin Islamic Bank Berhad (a licensed commercial bank in Malaysia) which could be fully discharged through payment of approximately RM37 million (i.e. approximately HK\$70 million) if the repayment can be made by end of February 2020. The first tranche (i.e. 50% of Offer Payment payable by Offeror to Covenanting Kingsley Shareholders) would be more than sufficient to discharge the KIS Annex Land Charge. The Covenanting Kingsley Shareholders intend to utilize part of the first tranche of the Offer Payment to fully discharge the KIS Annex Land Charge soonest after receipt of the Offer Payment payable by the Offeror to the Covenanting Kingsley Shareholders when the Offer becomes unconditional; and
- (3) the KIS Annex Land Charge was created in December 2017 before the sale and purchase agreement was signed in April 2018. The title transfer of KIS Annex Land would not be completed without the discharge of the KIS Annex Land Charge, and therefore the title transfer has not been completed as at the Announcement Date.

As at the Announcement Date, Kingsley Hills as the registered owner of the KIS Annex Land, has undertaken to the Offeror that it will procure to complete the transfer of land title to Kingsley International at nominal consideration of RM10 within three months after the Offer becomes unconditional.

For avoidance of doubt, the transfer of land title of KIS Annex Land will lead to a milestone payment to the Covenanting Kingsley Shareholders, but is not Offer Condition, and would not impose impact on the Independent Kingsley Shareholders.

Pursuant to the Irrevocable Undertaking, the Covenanting Kingsley Shareholders undertake to accept the Offer by submission of acceptance form in the same way as other Kingsley Shareholders. In accordance with Rule 20 of the Takeovers Code, after the Offer becomes unconditional, the full payment due to the Covenanting Kingsley Shareholders for their respective acceptance of the Offer shall be settled at the same time as other Kingsley Shareholders for their acceptance of the Offer.

Based on arm's length negotiation, the Offeror and the Covenanting Kingsley Shareholders have agreed on the following escrow arrangement ("**Covenanting Kingsley Shareholders Escrow Arrangement**") with respect to the date of release of the Offer Payment to the Covenanting Kingsley Shareholders.

Percentage of Offer Payment to be released to the Covenanting Kingsley Shareholders	Milestone/Payment timeline	Expected date of release of payment under the Covenanting Kingsley Shareholders Escrow Arrangement (for illustration purpose only)
50%	Upon the same time as other Kingsley Shareholders who have accepted the Offer prior to the First Closing Date	Within 7 Business Days of the later of the date the Offer becomes or is declared unconditional and the date of receipt of a duly completed acceptance
20%	All the Outgoing Directors ceasing their directorship position with Kingsley	After the First Closing Date or when the Offer becomes or is declared unconditional (whichever is later)
30%	Completion of transfer of land title of the KIS Annex Land from Kingsley Hills (the Covenanting Kingsley Shareholder's affiliate) to Kingsley's wholly-owned subsidiary at a nominal consideration of RM10	Within three months after the Offer becomes or is declared unconditional (whichever is later)

The Covenanting Kingsley Shareholders shall be entitled to any interest accrued in the escrow account for the deferred release of the Offer Payment.

For avoidance of doubt, the milestone payment schedule above only applies to the Covenanting Kingsley Shareholders. All the other Kingsley Shareholders are entitled to full settlement of the Offer Price pursuant to Rule 20.1(a) of the Takeovers Code (i.e. as soon as possible but in any event within seven Business Days following the later of the date on which the Offer becomes, or is declared, unconditional and the date of receipt of a duly completed acceptance).

OTHER INFORMATION

The Offeror and the Offeror Concert Parties had not dealt in the Kingsley Shares, convertible securities, warrants, options or derivatives of Kingsley during the six-month period immediately preceding the Announcement Date.

The Offeror confirms that, as at the Announcement Date, save for the Irrevocable Undertakings:

- (a) the Offeror and the Offeror Concert Parties do not own, control or have direction over any voting rights in any Kingsley Shares nor own, control or have direction over any other rights or interests in the issued share capital or voting rights of Kingsley;

- (b) the Offeror and the Offeror Concert Parties do not hold any Kingsley Shares, warrants, options, derivatives or other securities that are convertible or exchangeable into Kingsley Shares or other types of equity interest in Kingsley;
- (c) there is no outstanding derivative in respect of the securities in Kingsley which has been entered into by the Offeror or the Offeror Concert Parties;
- (d) other than the Offer, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or Kingsley and which might be material to the Offer;
- (e) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in Kingsley which the Offeror or the Offeror Concert Parties has/have borrowed or lent;
- (f) none of the Offeror nor any of the Offeror Concert Parties has received any other irrevocable commitment to accept or reject the Offer;
- (g) there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (h) no benefit (other than statutory compensation) had been or would be given to any Kingsley Director as compensation for loss of office or otherwise in connection with the Offer;
- (i) there was no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror and the Offeror Concert Parties and any Kingsley Directors, recent Kingsley Directors, Kingsley Shareholders or recent Kingsley Shareholders having any connection with or dependent upon the Offer;
- (j) apart from the consideration to be paid under the Offer, each of the Covenanted Kingsley Shareholders or their respective Concert Parties has not and will not receive any other consideration, compensation or benefits in whatever form paid or to be paid by the Offeror or any parties acting in concert with it to the Covenanted Kingsley Shareholders or their Concert Parties in connection with the Offer;
- (k) apart from the Irrevocable Undertaking, there is no other understanding, arrangement, agreement or special deal (under Rule 25 of the Takeovers Code) between the Offeror or Offeror Concert Parties on the one hand, and the Covenanted Kingsley Shareholders and its Concert Parties on the other hand; and
- (l) there is no understanding, arrangement or agreement or special deal (under Rule 25 of the Takeovers Code) between (1) each of the Covenanted Kingsley Shareholders and any other Kingsley Shareholders (or any of their respective concert parties (within the meaning of the Takeovers Code)) on one hand and (2)(a) the Offeror and the Offeror Concert Parties on the other hand, or (b) the Offeree, its subsidiaries or associated companies;.

TAXATION ADVICE

The Independent Kingsley Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, the Offeror Concert Parties or Kingsley and their respective ultimate beneficial owners, directors, officers, agents or associates or advisers or any other person involved in the Offer accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

OVERSEAS KINGSLEY SHAREHOLDERS

The Offeror intends to make the Offer available to all Kingsley Shareholders, including those with a registered address in a jurisdiction outside Hong Kong. The availability of the Offer to persons with a registered address in a jurisdiction outside Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. The Overseas Kingsley Shareholders and/or who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibilities of the Overseas Kingsley Shareholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Kingsley Shareholders in respect of such jurisdictions).

Any acceptance by Kingsley Shareholders and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong will be deemed to constitute a representation and warranty from such persons to the Offeror that the local laws and requirements have been complied with. Kingsley Shareholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

REASONS FOR, AND THE BENEFITS OF, THE OFFER MADE BY THE OFFEROR

Views of the board of directors of Mapleleaf

The Mapleleaf Group has over twenty-four years of experience in providing quality bilingual K-12 educational services in China and Canada by combining the merits of both western and Chinese educational philosophies. The Mapleleaf Group's high schools (for students from grade 10 to 12) are certified by the Ministry of Education of British Columbia, Canada and Chinese educational authorities respectively allowing its graduates to receive both a fully accredited British Columbia diploma and a Chinese diploma. Furthermore, all of Mapleleaf Group's high schools, middle schools, elementary schools and foreign national schools and Maple Leaf Educational Systems have been accredited by Cognia, the largest school accreditation agency in the world. The Mapleleaf Group targets students from middle-class families who aim to pursue higher education abroad and charge affordable and competitive tuition fees.

The Mapleleaf Directors consider that the acquisition of the Kingsley Group could strengthen the brand name of Mapleleaf by increasing the market share of schools and educational institutions run by the Mapleleaf Group. After the completion of the proposed acquisition, the Mapleleaf Group could extent the geographical coverage of its education services to Malaysia. The acquisition of the Kingsley Group could also allow the sharing of resources among the schools under both Mapleleaf Group and Kingsley Group. The acquisition is also an important milestone for Mapleleaf's Sixth Five-Year Plan to further expand its educational network globally, considering that, among others, the School currently accommodates slightly more than 1,000 students while the School's capacity is 2,600 students based on a total of 104 classrooms with each classroom's capacity of 25 students and therefore, the School has more capacity for more student enrolment.

The Offer Price is determined with reference to (a) prevailing share price of the Kingsley Shares; (b) the growth potential of Kingsley; (c) the potential synergic effect and economies of scale of the enlarged group after the acquisition; and (d) the further enhancement of Mapleleaf Group's position in the global education industry.

Mapleleaf Directors consider that the terms of the Offer are fair and reasonable and in the interests of Mapleleaf and its shareholders as a whole.

Views of the board of directors of Kingsley

The Kingsley Directors (excluding the independent non-executive directors of Kingsley who will express their views after considering the Independent Financial Adviser's advice) are of the view that the Offer is fair and reasonable and in the interests of the Kingsley Shareholders as a whole for the following principal reasons:

- (1) the liquidity of Kingsley Shares has been at a low level over a long period of time. The low trading liquidity of the Kingsley Shares could make it difficult for Kingsley Shareholders to execute substantial on-market disposals without adversely affecting the price of the Kingsley Shares and also make it difficult for Kingsley Shareholders to dispose of a large number of Kingsley Shares when any event that has an adverse impact on Kingsley's share price occurs; and
- (2) the costs and management resources associated with maintaining the listing status of Kingsley are substantial.

COMMITMENT BY THE COVENANTING KINGSLEY SHAREHOLDERS TO ACCEPT THE OFFERS UNDER THE IRREVOCABLE UNDERTAKINGS

The Covenancing Kingsley Shareholders, comprising Star Shine, DGMK Investment and Eduking Investment, collectively held 75% issued shares of Kingsley as at the Announcement Date, and have executed the Irrevocable Undertakings to accept the Offer.

Principal terms of the Irrevocable Undertakings

Date: 24 January 2020

Parties: (1) Star Shine; (2) DGMK Investment; (3) Eduking Investment; and (4) the Offeror

Irrevocable Undertakings:

The Covenancing Kingsley Shareholders have given Irrevocable Undertakings in favour of the Offeror, pursuant to which each of the Covenancing Kingsley Shareholders has irrevocably undertaken to the Offeror as to the followings:

1. to accept, or procure the acceptance of the Offer in respect of the Kingsley Shares held by the Covenancing Kingsley Shareholders respectively, and any Kingsley Shares which it may acquire on or after the date of the Irrevocable Undertakings by 4:00 p.m. (Hong Kong time) on or before the First Closing Date, subject to the provisions under the headings of “Conditions to the Irrevocable Undertakings” below;
2. each of the Covenancing Kingsley Shareholders will not, prior to the earlier of the closing, lapsing or withdrawal of the Offer, dispose, sell, transfer or encumber in any way all the Kingsley Shares held by them, nor withdraw such acceptance of the Offer in respect of all the Kingsley Shares held by them;
3. each of the Covenancing Kingsley Shareholders will procure the proper transfer of KIS Annex Land to Kingsley Group and provide documentary evidence to the Offeror’s reasonable satisfaction that the KIS Annex Land Charge has been fully discharged within three months after the Offer becomes unconditional;
4. each of the Covenancing Kingsley Shareholders will procure the resignation of the Outgoing Directors and appoint such person(s) as the Offeror may nominate as director(s) of Kingsley at the earliest time as permitted by the Takeovers Code and in particular Rule 7 of the Takeovers Code; and
5. each of the Covenancing Kingsley Shareholders will provide all necessary assistance to facilitate and complete the deregistration of the Relevant Kingsley Entities and will indemnify any costs or fees or liabilities (except for the intra-group liabilities due between the Relevant Kingsley Entities and the remaining entities of Kingsley Group) entailing from such deregistration of the Relevant Kingsley Entities after the closing of the Offer.

Conditions to the Irrevocable Undertakings:

The Irrevocable Undertakings are legally binding upon the Covenancing Kingsley Shareholders upon signing but shall cease to be binding if any of the conditions below is not fulfilled:

1. the Offer Price being not less than HK\$0.54 per Kingsley Share;
2. despatch of the Offer Document on or before 19 February 2020 or such later date as permitted by the SFC under Rule 8.2 of the Takeovers Code;
3. save and except with express written waiver from the Offeror or with mutual written consent between the Offeror and the Covenancing Kingsley Shareholders, the due fulfilment of all the Offer Conditions by the First Closing Date; and
4. all the Kingsley Shares held by the Covenancing Kingsley Shareholders shall be fully paid and shall be free from all liens, charges, encumbrances, rights of pre-emption and any other third-party rights of any nature and together with all rights attaching to them as at the First Closing Date. As at the Announcement Date, all the Kingsley Shares held by the Covenancing Kingsley Shareholders are free from any encumbrance.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER OF KINGSLEY

An Independent Board Committee which will comprise all independent non-executive Kingsley Directors (namely Professor 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) has been formed to advise the Independent Kingsley Shareholders as to whether the Offer is fair and reasonable and as to acceptance of the Offer.

Kingsley, with the approval of the Independent Board Committee, will appoint, as soon as reasonably practicable, an independent financial adviser to advise the Independent Board Committee and the Independent Kingsley Shareholders in respect of the Offer and, in particular, as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. The advice of the Independent Financial Adviser will be contained in the Response Document in respect of the Offer. A further announcement will be made by Kingsley as soon as possible after the appointment of the Independent Financial Adviser.

DEALING DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, associates (having the meaning given to it under the Takeovers Code, including persons holding 5% or more of a class of relevant securities of the Offeree) of the Offeror and the Offeree are hereby reminded to disclose their dealings in any shares in the Offeree pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

DESPATCH OF THE OFFER DOCUMENT

In accordance with Rule 8.2 of the Takeovers Code, the Offeror will despatch the Offer Document containing, among others, the terms and conditions of the Offer, and form of acceptance and transfer of the Offer Shares, to the Shareholders, within 21 days of the Announcement Date. It is expected that the Offer Document will be issued on or before 19 February 2020.

DESPATCH OF THE RESPONSE DOCUMENT

In accordance with Rule 8.4 of the Takeovers Code, Kingsley will despatch the Response Document containing, among others, the Independent Financial Adviser’s advice and Independent Board Committee’s views on the terms and conditions of the Offer within 14 days of the posting of the Offer Document.

POSSIBLE DISCLOSEABLE TRANSACTION FOR MAPLELEAF

As the highest of the relevant percentage ratios under Rule 14.07 of the Listing Rules for the potential acquisition of Kingsley Shares by the Offeror under the Offer is more than 5% but less than 25%, the Offer constitutes a discloseable transaction of Mapleleaf under the Listing Rules and is subject to the announcement requirement but is exempt from the circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the directors of Mapleleaf, having made all reasonable enquiry from publicly available information, Kingsley, the Covenanted Kingsley Shareholders, the shareholders of Kingsley and their respective ultimate beneficial owner are third parties independent of Mapleleaf, Mapleleaf's connected persons and the Offeror Concert Parties.

The directors (including the independent non-executive directors) of Mapleleaf believe that the terms and conditions of the Offer and the transactions contemplated thereunder are fair and reasonable and in the interest of Mapleleaf as a whole.

The Offer does not constitute a notifiable transaction (as defined under Rule 19.04 of the GEM Listing Rules) nor a connected transaction (as defined under Chapter 20 of the GEM Listing Rules) of Kingsley.

WARNING

Kingsley Shareholders, Mapleleaf Shareholders and potential investors should note that the implementation of the Offer is subject to the fulfilment of the Offer Conditions. Thus, the Offer may or may not become or be declared unconditional. Kingsley Shareholders, Mapleleaf Shareholders and potential investors are reminded to exercise caution when dealing in the shares of Kingsley and Mapleleaf. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institutions in securities, bank manager, solicitor, professional accountant or other professional advisers.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Acceptance Shares”	means the Kingsley Shares assented to the Offer pursuant to the valid acceptances for Kingsley Shares (which are not, if permitted, withdrawn) received under the Offer
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Announcement Date”	means the date of this joint announcement
“associate”	has the meaning given to such term under the Takeovers Code
“Ballas Capital”	means Ballas Capital Limited, being a licensed corporation to carry out type 1 (Dealing in Securities) and type 6 (Advising on Corporate Finance) regulated activities as defined under the SFO, the financial adviser to the Offeror and Mapleleaf in relation to the Offer
“Business Day”	a day on which the Stock Exchange is open for the transaction of business

“Closing Date”	means the First Closing Date, or any subsequent offer closing date as may be announced by the Offeror and Kingsley and approved by the Executive
“Companies Law” or “Cayman Islands Companies Law”	means the Companies Law (2018 Revision) of the Cayman Islands, Cap. 22 (Law 3 of 1961), as amended or supplemented or otherwise modified from time to time
“Concert Party(ies)”	with respect to a party, parties acting in concert with it as such term is defined under the Takeovers Code
“Covenanting Kingsley Shareholders”	Star Shine, DGMK Investment and Eduking Investment
“Despatch Date”	means the date of dispatch of the Offer Document as required by the Takeovers Code
“DGMK Investment”	means DGMK Investment Limited, a company incorporated in the British Virgin Islands with limited liability and is directly wholly-owned by Dato’ Danny Goh, an executive Kingsley Director
“Disinterested Kingsley Shares”	means Kingsley Shares other than those held by the Offeror or its Concert Parties. For avoidance of doubt, the Covenanting Kingsley Shareholders’ shareholding interest are not held by the Offeror or its Concert Parties, and considered as ‘disinterested shares’ for the purpose of the Takeovers Code and therefore are considered as ‘Disinterested Kingsley Shares’;
“Eduking Investment”	Eduking Investment Limited, a company incorporated in the BVI with limited liability on 26 July 2016 and is directly wholly-owned by Dato’ Law Boon Hee
“encumbrance”	any claim, charge, mortgage, security, lien, pledge, option, equity, power of sale, hypothecation or other third party rights, retention of title, right of pre-emption, right of first refusal or security interest of any kind
“Executive”	means the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“First Closing Date”	means the date to be stated in the Offer Document as the first closing date of the Offer in accordance with the Takeovers Code
“GEM”	means the GEM of the Stock Exchange
“GEM Listing Rules”	means the Rules Governing the Listing on GEM

“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	means the committee of all the independent non-executive Kingsley Directors (none of whom have any direct or indirect interest in the Offer) which has been established for advising the Independent Kingsley Shareholders as to whether the Offer is fair and reasonable and as to acceptance
“Independent Financial Adviser(s)”	the independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Kingsley Shareholders in relation to the Offer
“Independent Kingsley Shareholders”	means Kingsley Shareholders other than the Offeror and the Offeror Concert Parties
“Interim Period”	means the period between the date of the Offer and up to the First Closing Date (both dates inclusive)
“Irrevocable Undertaking(s)”	means the irrevocable undertaking dated 24 January 2020 and executed by Star Shine, DGMK Investment, Eduking Investment in favour of the Offeror as described in this joint announcement
“Kingsley” or “Offeree”	means Kingsley Edugroup Limited, a company incorporated in the Cayman Islands with limited liability, the Kingsley Shares of which are listed on GEM with the stock code of 8105
“Kingsley Board”	means the board of Kingsley Directors
“Kingsley Director(s)”	means the director(s) of Kingsley
“Kingsley Group”	means Kingsley and its subsidiaries
“Kingsley Hills”	Kingsley Hills Sdn. Bhd. (formerly known as One Beverly Hills Sdn. Bhd.), a company incorporated under the laws of Malaysia with limited liability on 17 January 2008 and is directly wholly-owned by B&G Capital Resources Berhad, a company incorporated under the laws of Malaysia which is owned as to 22.6% by Tan Sri Barry Goh and 77.4% by Syapuma Sdn Bhd, a company incorporated under the laws of Malaysia which is wholly owned by Tan Sri Barry Goh
“Kingsley International”	Kingsley International Sdn. Bhd., a company incorporated under the laws of Malaysia with limited liability, which is an indirect wholly-owned subsidiary of Kingsley

“Kingsley Share(s)” or “Share(s)”	means the ordinary share(s) of HK\$0.01 each in the issued share capital of Kingsley
“Kingsley Shareholder(s)”	means holder(s) of the Kingsley Shares
“KIS Annex Land”	means a parcel of land held under H.S.(D) 279714, PT36308 measuring approximately two acres in the Mukim of Damansara, District of Petaling, State of Selangor, Malaysia
“Last Trading Date”	means 24 January 2020, being the last trading day before the issue of this joint announcement
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	means the Main Board of the Stock Exchange
“Mapleleaf”	means China Maple Leaf Educational Systems Limited, a company incorporated in the Cayman Islands with limited liability, the Mapleleaf Shares of which are listed on the Stock Exchange with stock code of 1317
“Mapleleaf Directors”	means the directors of Mapleleaf
“Mapleleaf Group”	means Mapleleaf and its subsidiaries
“Mapleleaf Shares”	means the ordinary share(s) of US\$0.0005 each in the issued share capital of Mapleleaf
“Offer”	means the voluntary conditional general cash offer to be made by the Offeror for all the Kingsley Shares
“Offer Conditions”	means the conditions of the Offer as set out in the paragraph headed “Conditions of the Offer” in this joint announcement
“Offer Document”	the document to be issued by the Offeror to all Kingsley Shareholders in connection with the Offer in accordance with the Takeovers Code containing, among others, information relating to the Offeror, the terms and conditions of the Offer, together with form of acceptance and transfer of the Offer Shares
“Offeror”	means Maple Leaf Education Asia Pacific Limited, a company incorporated in Hong Kong with limited liability, and is a wholly-owned subsidiary of Mapleleaf
“Offeror Concert Parties”	means the parties acting in concert with the Offeror

“Offer Payment”	means the full payment due to the Covenanted Kingsley Shareholders
“Offer Price”	means the offer price for the Offer Shares, being HK\$0.54 per Offer Share
“Offer Share(s)”	means the Kingsley Shares
“Outgoing Directors”	means all the existing directors of Kingsley namely, Tan Sri Dato’ Sri Goh Ming Choon, Dato’ Danny Goh Meng Keong, Dr. Chua Ping Yong, 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
“Overseas Kingsley Shareholders”	Kingsley Shareholders whose addresses, as shown on the register of members of Kingsley, are outside Hong Kong
“PRC”	means the People’s Republic of China
“Relevant Kingsley Entities”	the subsidiaries to be deregistered by Kingsley after completion of the Offer, details of which are set out in the section headed “INTENTIONS OF THE OFFEROR” in this joint announcement
“Remaining Shares”	means the Offer Shares not acquired by the Offeror (by virtue of the acceptances of the Offer or otherwise) within the period of 4 months after posting the initial Offer Document
“Response Document”	the response document in respect of the Offers to be issued by Kingsley in accordance with the Takeovers Code
“RM”	means Malaysian ringgit, the lawful currency of Malaysia
“School”	means Kingsley International School
“SFC”	means the Securities and Futures Commission
“SFO”	means the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Star Shine”	Star Shine Finance Limited, a company incorporated in the British Virgin Islands with limited liability and is directly wholly-owned by Tan Sri Barry Goh, an executive Kingsley Director
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited

“Takeovers Code” means The Code on Takeovers and Mergers

“US\$” means United States dollars, the lawful currency of the United States of America

By Order of the Board
**CHINA MAPLE LEAF EDUCATIONAL
SYSTEMS LIMITED**
Shu Liang Sherman Jen
Chairman and Chief Executive Officer

By Order of the Board
**KINGSLEY EDUGROUP
LIMITED**
Tan Sri Dato’ Sri Goh Ming Choon
Chairman and Executive Director

By Order of the Board
**MAPLE LEAF EDUCATION ASIA
PACIFIC LIMITED**
Shu Liang Sherman Jen
Director

Hong Kong, 29 January 2020

As at the Announcement Date, the sole director of the Offeror is Shu Liang Sherman Jen.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Kingsley Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Kingsley Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the Announcement Date, the board of directors of Mapleleaf comprises Mr. Shu Liang Sherman Jen, Ms. Jingxia Zhang and Mr. James William Beeke as executive directors; Mr. Howard Robert Balloch as non-executive director; and Mr. Peter Humphrey Owen, Mr. Alan Shaver and Mr. Lap Tat Arthur Wong as independent non-executive directors.

The directors of Mapleleaf jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Kingsley Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Kingsley Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint misleading.

As at the Announcement Date, the board of directors of Kingsley comprises Tan Sri Dato’ Sri Goh Ming Choon, Dato’ Goh Meng Keong, Dr. Chua Ping Yong as executive directors; and Professor 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 as independent non-executive directors.

* For identification purpose only

The directors of Kingsley jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by Offeror Directors and Mapleleaf Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

This joint 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 Kingsley’s website at www.kingsley.edu.my.

For the purpose of this announcement, an exchange rate of $RM1 = HK\$1.9$ is adopted for illustration purpose.