
IMPORTANT

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Maple Leaf Educational Systems Limited**, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular is for information purposes only and does not constitute an invitation or offer to acquire purchase or subscribe for any securities.

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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)

SPECIFIC MANDATE TO GRANT OPTIONS AND ALLOT AND ISSUE SHARES UPON EXERCISE OF OPTIONS AND NOTICE OF THE EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting (as defined in this circular) to be held at Empire Room II, 1/F, Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong on Monday, 24 August 2015 at 10:00 a.m. (the “**Extraordinary General Meeting**”) is set out on pages 14 and 15 of this circular.

Whether or not you are able to attend the Extraordinary General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Extraordinary General Meeting (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting (or any adjournment thereof) should you so wish.

* For identification purposes only.

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DEFINITIONS

In this circular, the following words and expressions shall have the following meanings unless the context requires otherwise:

“Articles”	the articles of association of the Company as amended, supplemented or modified from time to time
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“China”	The People’s Republic of China
“Company”	China Maple Leaf Educational Systems Limited, an exempted company incorporated in the Cayman Islands with limited liability on 5 June 2007
“connected persons”	shall have the same meaning as set out in the Listing Rules
“Consultants”	Dingxianghui and Hong Kong Zhixin
“Dingxianghui”	Dingxianghui (Beijing) Investment Management Co., Ltd. (丁香匯(北京)投資管理有限公司)
“Directors”	the directors of the Company
“Engagement Agreements”	the agreement dated 8 June 2015 made between the Company and Dingxianghui and the agreement dated 8 June 2015 made between the Company and Hong Kong Zhixin and each of them, an Engagement Agreement
“Exercise Price”	HK\$4.00 per Option Share
“Extraordinary General Meeting”	the Extraordinary General Meeting of Shareholders to be convened pursuant to the notice set out in this circular
“Group”	the Company, its subsidiaries and the consolidated affiliated entities from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Zhixin”	Hong Kong Zhixin Financial News Agency Ltd.(香港智信財經通訊有限公司)
“Independent Third Party”	an independent third party that is not a connected person or an associate of a connected person (as defined under the Listing Rules) of the Group
“Issue Price”	the price for the issue of the Options, which is nil
“Latest Practicable Date”	29 July 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Options”	the two options granted by the Company to the Consultants under the Engagement Agreements, pursuant to which Dingxianghui has the right to require the Company to allot and issue 7,500,000 Option Shares and Hong Kong Zhixin has the right to require the Company to allot and issue 17,500,000 Option Shares
“Option Shares”	an aggregate of up to 25,000,000 Shares to be issued pursuant to the Options
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme of the Company adopted on 1 April 2008
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	ordinary shares of US\$0.001 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Specific Mandate”	the specific mandate to be granted to the Directors by the Shareholders at the Extraordinary General Meeting for the grant of Options and the allotment and issue of Option Shares
“Supplemental Agreements”	the supplemental agreements dated 17 July 2015 entered into between the Company and each of the Consultants in relation to the amendment of the Engagement Agreements
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Shu Liang Sherman Jen
(Chairman and Co-Chief Executive Officer)
Mr. Zhenwan Liu
(Vice Chairman, President and Co-Chief Executive Officer)
Ms. Jingxia Zhang
(Senior Vice President and Chief Financial Officer)
Mr. James William Beeke
(Vice President and BC Program Superintendent)

Non-executive Director:

Mr. Howard Robert Balloch

Independent Non-executive Directors:

Mr. Peter Humphrey Owen
Mr. Chak Kei Jack Wong
Mr. Lap Tat Arthur Wong

Registered Office:

Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Head Office:

Maple Leaf Educational Park
6 Central Street
Jinshitan National Tourist Area
Dalian, Liaoning Province 116650
China

Principal Place of Business in Hong Kong:

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

5 August 2015

To Shareholders

Dear Sir/Madam,

**SPECIFIC MANDATE TO GRANT OPTIONS AND
ALLOT AND ISSUE SHARES UPON EXERCISE OF OPTIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 9 June 2015 and 17 July 2015 in relation to the grant of Options to the Consultants and the Supplemental Agreements, respectively.

The purpose of this circular is to (1) provide you with the information regarding the grant of Options; (2) set out the recommendation of the Board in relation to the grant of Options; and (3) give notice of the Extraordinary General Meeting.

* For identification purposes only.

LETTER FROM THE BOARD

2. THE AGREEMENTS

On 8 June 2015, the Company entered into an Engagement Agreement with each of the Consultants pursuant to which the Company has agreed to grant Options to the Consultants or their nominees to subscribe for an aggregate of 25,000,000 new Shares at the exercise price of HK\$4.00 per Option Share as, among other things, the consideration for the services to be provided by the Consultants pursuant to their respective Engagement Agreements.

Engagement Agreement with Dingxianghui

Date	:	8 June 2015
Parties	:	(i) the Company (as the grantor of the Option); and (ii) Dingxianghui (as Consultant and the grantee of the Option).
Services to be provided by Dingxianghui	:	Dingxianghui is a strategy and investment consultant to the Company to assist in optimizing the Company's development strategies and implementing effective investment or restructuring plans, with a view to promote the value of the Company. Services to be provided by Dingxianghui include, among other things, (i) evaluate and help the Company to optimize its strategic planning, business model, operations, financial systems and human resource; (ii) assist the Company to analyse and strategically plan its entry into the online education industry; (iii) introduce opportunities in relation to investment and acquisition of other companies and schools to the Company and represent the Company in relevant meetings or negotiations or assist in relevant due diligence process; and (iv) assist the Company to make restructuring plans and search for potential buyers if the Company plans to restructure its business. In performing its services under the Engagement Agreement, Dingxianghui must not perpetrate any conduct which constitutes market misconduct under the SFO.
Term of service	:	three years
Consideration	:	(i) if any member of the Group completes any investment, acquisition or disposal based on opportunities introduced to the Company by Dingxianghui, 1% of the consideration of such transaction is payable by the Company to Dingxianghui within five days of such completion in cash; and (ii) the Option to subscribe for 7.5 million Shares.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Dingxianghui is a third party independent of and not connected with the Company and its connected persons (as defined in the Listing Rules). Save as disclosed above, there are no other arrangements between Dingxianghui and the Company and its connected persons. Dingxianghui is not in possession of information regarding any potential deals or other information about the Company that might crystallize over the exercise period of the Options.

LETTER FROM THE BOARD

Details of the shareholders of Dingxianghui are set out below:

Name*	Shareholding	Relationship with the Group
Wen Bo (文波)	15.3846%	Independent Third Party
Jing Xingyu (景興宇)	7.6923%	Independent Third Party
Cui Cheng (崔成)	3.8462%	Independent Third Party
Tianjin Huizhilianhechuangye Investment LLP (天津匯智聯合創業投資合夥企業(有限合夥)) (the ultimate owner is Liu Zhishuo (劉志碩))	15.3846%	Independent Third Party
Tong Jianxun (佟建勳)	7.6923%	Independent Third Party
Chen Chang (陳暢)	7.6923%	Independent Third Party
Bai Meishang (白眉商)	7.6923%	Independent Third Party
Li Shumin (李淑敏)	3.8462%	Independent Third Party
Ju Kai (鞠凱)	3.8462%	Independent Third Party
Song Maoqun (宋茂群)	7.6923%	Independent Third Party
Chen Jinlan (陳金蘭)	3.8462%	Independent Third Party
Beijing Weishiman Investment Consulting Co., Ltd. (北京威士曼投資顧問有限公司) (the ultimate owner is Jing Xingyu (景興宇))	7.6923%	Independent Third Party
ZhongKe Kunjian (Beijing) Technology Co., Ltd. (中科坤健(北京)科技有限公司) (the ultimate owner is Wang Xinhong (王昕竑))	7.6923%	Independent Third Party

* The names of the shareholders in English are for identification purpose only.

Wen Bo (“**Mr. Wen**”) is one of the founding members and the actual controller of Dingxianghui. He serves as the legal representative, sole director and chief executive officer of Dingxianghui. Mr. Wen has a dual-bachelor’s degree in welding technology and science and technology English from Harbin Institute of Technology in Harbin, China and an MBA degree from Richard Ivey School of Business of Western Ontario University in Ontario, Canada. Mr. Wen has around 10 years’ experience in investment and fund management. He is a founder and a partner of Capital First Partners, a boutique investment banking firm that provides integrated corporate advisory services. Mr. Wen served as the deputy general manager of Chongqing New Open Group responsible for the expansion in the kindergarten and vocational college sectors from September 2003 to August 2004 and the managing director of the TBG Group (now Canaccord Genuity Asia) from May 2005 to December 2009. Mr. Wen is an Independent Third Party of the Group.

The other shareholders of Dingxianghui are not actively involved in the affairs of Dingxianghui and are merely investors of Dingxianghui. These shareholders and their ultimate owners are all Independent Third Parties of the Group. The Company respectfully submits that it would be unduly burdensome to collect and disclose the background of each one of them.

The Company used the service of a consultancy firm TBG Group (now Canaccord Genuity Asia) in 2006 for seeking investors. Mr. Wen was an employee of TBG Group at the time and was in contact with the Company through his employment. At the beginning of 2015, Mr. Wen reached out to the Company to offer the strategy and investment consulting services of Dingxianghui to the Company and recommended the investor relations services of Hong Kong Zhixin to the Company. The Company had no business relationship with the Consultants prior to this occasion. As far as the Company is aware of, Dingxianghui and Hong Kong Zhixin are independent of each other.

LETTER FROM THE BOARD

Engagement Agreement with Hong Kong Zhixin

Date	:	8 June 2015
Parties	:	(i) the Company (as the grantor of the Option); and (ii) Hong Kong Zhixin (as Consultant and the grantee of the Option).
Services to be provided by Hong Kong Zhixin	:	Hong Kong Zhixin is an investor relations consultant to the Company to assist in promoting and maintaining the communication and relationship between the Company and the investors and financial news media in mainland China. Services to be provided by Hong Kong Zhixin include, among other things, (i) establish strategies regarding investor relations (including making annual plans for investor relations activities); (ii) maintain an investors database for the Company; (iii) arrange investor relations events and meetings with investors, analysts and fund managers for the Company and submit relevant reports to the Company every two months; (iv) collect industry information; (v) manage the Company's communications with investors; (vi) arrange press events, interviews and meetings; (vii) manage and monitor the publicity contents (news articles, etc.) of the Company; (viii) media crisis management; (ix) collect awards information and help the Company apply for such awards and (x) arrange A-share related meetings and events. In performing its services under the Engagement Agreement, Hong Kong Zhixin must not violate any rules and provisions in relation to inside information and notifiable transactions under the Listing Rules and the SFO and should not perpetrate any conduct which constitutes market misconduct under the SFO.
Term of service	:	three years
Consideration	:	the Option to subscribe for 17.5 million Shares

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Hong Kong Zhixin is a third party independent of and not connected with the Company and its connected persons (as defined in the Listing Rules). Save as disclosed above, there are no other arrangements between Hong Kong Zhixin and the Company and its connected persons. Hong Kong Zhixin is not in possession of information regarding any potential deals or other information about the Company that might crystallize over the exercise period of the Options.

The ultimate beneficial owner of Hong Kong Zhixin is Ms. Chen Yuhong (陳宇虹) ("Ms. Chen"), who wholly and directly owns 100% of the issued share capital of Hong Kong Zhixin. Ms. Chen received a bachelor's degree in foreign languages from Shenzhen University in Shenzhen, China in 1992. Ms. Chen accumulated more than 13 years' experience working in the global banking and corporate banking departments of HSBC, Hang Seng Bank and DBS Bank in China before she founded Hong Kong Zhixin in June 2010. Since then, Ms. Chen has been the sole director and sole beneficial owner of Hong Kong Zhixin. Ms. Chen does not hold any directorship or any other position in other public companies which are listed on any securities markets in Hong Kong. Ms. Chen is an Independent Third Party.

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Supplemental Agreements with the Consultants

On 17 July 2015, the Company entered into a Supplemental Agreement with each of the Consultants whereby it is agreed that the Options shall be conditionally granted subject to the passing of an ordinary resolution by the Shareholders' of the Company approving the Specific Mandate to grant the Options.

Pursuant to the Supplemental Agreements, the conditions to the grant of the Options are amended as follows:

- (a) the Shareholders having approved the specific mandate to the Directors to grant the Options and to issue and allot the Option Shares contemplated under the Engagement Agreements (as amended by the Supplemental Agreements); and
- (b) the Stock Exchange granting the approval of the listing of, and permission to deal in, the Option Shares to be issued pursuant to the exercise of the Options to be granted under the Specific Mandate.

3. PRINCIPAL TERMS OF THE OPTIONS

The principal terms of the Options are as follows:

Date of Grant

8 June 2015

Number of Option Shares

The Options confer the rights to subscribe for up to an aggregate of 25,000,000 Option Shares (7,500,000 Option Shares for Dingxianghui and 17,500,000 Option Shares for Hong Kong Zhixin), representing approximately 1.84% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 1.81% of the issued share capital of the Company as enlarged by the Option Shares. The aggregate nominal value of Option Shares is US\$25,000.

Ranking of the Option Shares

The Option Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue.

Issue Price and Exercise Price of the Options

The Options are issued at nil cost and as consideration for the services to be provided by the Consultants under the Engagement Agreements.

The Exercise Price is HK\$4.00 per Option Share. The Exercise Price represents:

- (i) a premium of approximately 41.34% to the closing price of HK2.83 per Share as quoted on the Stock Exchange on 8 June 2015, being the date of the Engagement Agreements;

LETTER FROM THE BOARD

- (ii) a premium of approximately 36.99% to the average of the closing prices of approximately HK\$2.92 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to 8 June 2015, being the date of the Engagement Agreements; and
- (iii) a premium of approximately 35.59% to the average of the closing prices of approximately HK\$2.95 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to 8 June 2015, being the date of the Engagement Agreements.

The Exercise Price will be paid to the Company upon exercise of the Options. There are no arrangements for the variation in the Exercise Price or number of Option Shares based on alterations to the share capital of the Company.

The Issue Price and the Exercise Price were negotiated on an arm's length basis between the Company and the Consultants and was determined with reference to, among other things, the prevailing market price of the Shares, the recent trading volume of the Shares, the duration of the exercise period and the services to be provided by the Consultants under the Engagement Agreements. The Directors consider that the terms of the Engagement Agreements and the Issue Price and the Exercise Price are fair and reasonable based on the current market conditions and the entering into of the Engagement Agreements is in the interests of the Company and the Shareholders of the Company as a whole.

Exercise Period and Exercise Conditions

The Options become exercisable by the Consultants or their nominees upon the following conditions are met:

- (a) 40% of the Options become exercisable, if at any time during the 18-month period after the date of the Engagement Agreements, the market capitalization of the Company is no less than HK\$8 billion on each day for 15 consecutive trading days; and
- (b) the remaining 60% of the Options become exercisable, if at any time during the 36-month period after the date of the Engagement Agreements, the market capitalization of the Company is no less than HK\$10 billion on each day for 15 consecutive trading days.

The Options will remain exercisable for six months after the relevant conditions are met and shall lapse automatically if the conditions are not met within the relevant period provided in (a) and (b) above.

Transferability

The Options will be granted to the Consultants or their nominee(s). The Engagement Agreements do not prohibit the transfer of the Options.

Rights of the Option holders

The holders of the Options will not have any right to attend or vote at any meeting of the Company by virtue of them being the holders of the Options. The holders of the Options shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

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Rights of the Option holders on the liquidation of the Company

If the Company is wound up during the exercise period of the Options, the Options shall lapse, save for in the event of a voluntary winding-up, the holders of the Options shall be entitled to exercise the Options no later than two business days prior to the proposed general meeting of the Company for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company.

Basis for determining the terms of the Options

The number of Option Shares to be granted and the Exercise Price were determined based on arm's length negotiations between the parties, with reference to market value for equivalent services and current market price of the Shares. The Company has also referred to Hong Kong Zhixin's service agreements with other companies listed on the Stock Exchange and market reports on the Company. The exercise period was determined with reference to the service terms (3 years) and the exercise conditions were determined based on, among other things, the current capital market trends and the Company's long-term and mid-term goals.

4. USE OF PROCEEDS

The gross proceeds of the Option Shares will be HK\$100 million. The net proceeds (after deducting all applicable costs and expenses) of approximately HK\$100 million from the Option Shares are intended for general working capital purposes of the Group. The net price of each Option Share will be approximately HK\$4.00.

5. REASONS FOR THE GRANT OF THE OPTIONS

The Directors consider that the granting of the Options and the terms of the Options are fair and reasonable and in the interests of the Company and the Shareholders of the Company as a whole for the following reasons:

- (a) The Options are granted as consideration for the services to be provided by the Consultants, which are significant to the Company.

The Company was listed on the Stock Exchange in November 2014 and is ever growing. As stated in the listing document of the Company, its strategies include to maintain and further strengthen its position as the leading international school operator in China by further expanding its school network in China and abroad, in particular through cooperation. Its current strategy is to expand its operations through exploring acquisition and investment opportunities available to it in China. Services provided by Dingxianghui include, among other things, (i) to evaluate and help the Company to optimize its strategic planning, business model, operations, financial systems and human resource; (ii) to assist the Company to analyse and strategically planning its entry into the online education industry; (iii) to introduce opportunities in relation to investment and acquisition of other companies and schools to the Company and represent the Company in relevant meetings or negotiations or assist in relevant due diligence process; and (iv) to assist the Company to make restructuring plans and search for potential buyers if the Company plans to restructure its business. These services are valuable to the Company in order to accomplish its goal of strategic growth and to maximize shareholders' interests.

LETTER FROM THE BOARD

It is also important for the Company to promote investor awareness and communications as a relatively new listed company. Services provided by Hong Kong Zhixin include, among other things, (i) to establish strategies regarding investor relations (including making annual plans for investor relations activities); (ii) to maintain an investors database for the Company; (iii) to arrange investor relations events and meetings with investors, analysts and fund managers for the Company and submit relevant reports to the Company every two months; (iv) to collect industry information; (v) to manage the Company's communications with investors; (vi) to arrange press events, interviews and meetings; (vii) to manage and monitor the publicity contents (news articles, etc.) of the Company; (viii) media crisis management; (ix) to collect awards information and help the Company apply for such awards and (x) to arrange meetings and events with mainland China securities firms. These services are particularly valuable to the Company given the Company's goal to maximize shareholders' interests by promoting investor awareness and communications.

- (b) The Options are subject to the Conditions that are tied to the market capitalization of the Company, which was designed to motivate the Consultants so that they can provide the best services possible to the Company and ensure that their interests are in line with the interest of the Shareholders of the Company.
- (c) The granting of the Options also offers a good opportunity to raise additional funds to strengthen the financial position of the Company so as to facilitate its future development. The Directors consider that the granting of the Option is in the interests of the Company and the Shareholders of the Company as a whole.

6. EQUITY FUND RAISING ACTIVITIES OF THE COMPANY SINCE THE LISTING

The Company issued 25,680,000 Shares at the exercise price of RMB0.93 per Share on 19 May 2015 pursuant to the exercise of share options by certain Directors and employees of the Company granted under the pre-IPO share option scheme of the Company. Approximately RMB23,882,400 was raised, which have been applied towards financing working capital and general corporate purpose of the Company.

Save as disclosed above, the Company has not carried out any fund raising activities immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

7. SHAREHOLDING STRUCTURE OF THE COMPANY

The following table shows the changes in the shareholding structure of the Company as at the Latest Practicable Date and the shareholding structure of the Company immediately after the allotment and issue of the Option Shares:

	As at the Latest Practicable Date		Immediately after allotment and issue of Option Shares	
	No. of Shares	Approximate % of shareholding	No. of Shares	Approximate % of shareholding (Note 3)
Substantial Shareholders and Directors				
Sherman Investment Holdings Limited (Note 1)	736,569,909	54.17%	736,569,909	53.19%
Shu Liang Sherman Jen (Note 1, Note 3)	4,210,000	0.31%	4,210,000	0.30%
Sequoia Capital China Growth Fund I, L.P. (Note 2)	127,471,280	9.38%	127,471,280	9.21%
Sequoia Capital China Growth Partners Fund I, L.P. (Note 2)	3,009,798	0.22%	3,009,798	0.22%
Sequoia Capital China GF Principals Fund I, L.P. (Note 2)	15,635,464	1.15%	15,635,464	1.15%
Zhenwan Liu (Note 3)	11,605,000	0.85%	11,605,000	0.85%
Jingxia Zhang (Note 3)	2,605,000	0.19%	2,605,000	0.19%
James William Beeke (Note 3)	1,070,671	0.08%	1,070,671	0.08%
Peter Humphrey Owen (Note 3)	1,070,000	0.08%	1,070,000	0.08%
Howard Robert Balloch (Note 3)	30,000	0.00%	30,000	0.00%
Arthur Lap Tat Wong (Note 3)	150,000	0.01%	150,000	0.01%
Public Shareholders				
Dingxianghui	—	—	7,500,000	0.54%
Hong Kong Zhixin	—	—	17,500,000	1.26%
Other Public Shareholders	456,252,878	33.56%	431,252,878	31.72%
Total	<u>1,359,680,000</u>	<u>100.00</u>	<u>1,384,680,000</u>	<u>100.00</u>

Notes:

- Mr. Shu Liang Sherman Jen is interested in 736,569,909 Shares through his wholly-owned company, Sherman Investment Holdings Limited and is personally interested in 4,210,000 Shares.

LETTER FROM THE BOARD

2. Mr. Shen Nanpeng is the ultimate shareholder through his wholly-owned company, SNP China Enterprises Limited, which owns 100% of the issued shares of SC China Holding Limited, the general partner of Sequoia Capital China Growth Fund Management I, L.P. (“**SCC Management**”). SCC Management is the general partner of Sequoia Capital China Growth Fund I, L.P. (holds 127,471,280 Shares), Sequoia Capital China Growth Partners Fund I, L.P. (holds 3,009,798 Shares) and Sequoia Capital China GF Principals Fund I, L.P. (holds 15,635,464 Shares). Sequoia Capital China Advisors Limited is the investment manager of SCC Management and is therefore also deemed to be interested in the Shares SCC Management interested in.
3. A Director of the Company.
4. Assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the date of allotment and issue of Option Shares.

8. SPECIFIC MANDATE TO ALLOT AND ISSUE THE OPTION SHARES

The Options will be granted and the Option Shares will be allotted and issued pursuant to the Specific Mandate. The Company will seek the grant of the Specific Mandate from the Shareholders at the Extraordinary General Meeting. The Extraordinary General Meeting will be held to consider and, if though fit, pass the requisite resolutions to approve, among other things, the Engagement Agreements (as amended by the Supplemental Agreements) and the transactions contemplated thereunder including the Specific Mandate for the grant of the Options and for the allotment and issue of the Option Shares. To the best knowledge of the Directors, none of the Shareholders has a material interest in the transactions contemplated under the Engagement Agreements as at the date of this circular. Accordingly, none of the Shareholders will be required to abstain from voting at the Extraordinary General Meeting in respect of the Engagement Agreements and the Specific Mandate.

9. APPLICATION FOR LISTING

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Option Shares which may be allotted and issued upon exercise of the Options.

10. ISSUE OF OPTION SHARES

Pursuant to Rule 15.02(1) of the Listing Rules, the Option Shares to be issued upon exercise of the Options must not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued share capital of the Company at the time the Options are granted. Options granted under employee or executive share schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit.

As of the Latest Practicable Date, the number of new Shares which may be issued upon exercise of the options granted under the Pre-IPO Share Option Scheme is 1,247,387 Shares.

The new Shares which will be issued upon exercise of the Options and the outstanding options under the Pre-IPO Share Option Scheme is 26,247,387 Shares, which is less than 20% of the issued share capital of the Company as at the Latest Practicable Date. Accordingly, the issue of the Options is in compliance with Rule 15.02(1) of the Listing Rules.

LETTER FROM THE BOARD

11. EXTRAORDINARY GENERAL MEETING AND VOTING BY POLL

A notice convening the Extraordinary General Meeting is set out on pages 14 and 15 of this circular.

A form of proxy for use at the Extraordinary General Meeting is enclosed with this circular. Whether or not you are able to attend the Extraordinary General Meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Extraordinary General Meeting (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting (or any adjournment thereof) should you so wish.

Pursuant to the Listing Rules, voting at the Extraordinary General Meeting shall be taken by way of a poll. Subject to any special rights or restrictions as to voting for the time being attached to any Shares by or in accordance with the Articles, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative shall have one vote for every fully paid Share of which he is the holder but so that no amount paid or credited as paid up on a Share in advance of calls or instalments is treated for the foregoing purposes as paid up on the Share. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

An announcement will be issued by the Company following the Extraordinary General Meeting to inform Shareholders of the results of the poll vote in respect of the matters put to Shareholders at the Extraordinary General Meeting.

12. RESPONSIBILITY

The issue of this circular has been approved by the Directors. This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the information contained in this circular 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 contained herein misleading.

13. RECOMMENDATION

The Board considers the grant of the Options and the terms of the Engagement Agreements and the Options are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends Shareholders to vote in favour of the resolutions proposed at the Extraordinary General Meeting to approve the Engagement Agreements and the transactions contemplated thereunder, including the Specific Mandate for the grant of the Options and the allotment and the issue of the Option Shares.

Yours faithfully,
For and on behalf of the Board
China Maple Leaf Educational Systems Limited
Shu Liang Sherman Jen
Chairman and Co-Chief Executive Officer

NOTICE OF THE EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**Meeting**”) of China Maple Leaf Educational Systems Limited (the “**Company**”) will be held at Empire Room II, 1/F, Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong on Monday, 24 August 2015 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution as ordinary resolution:

ORDINARY RESOLUTION

“**THAT:**

- (a) the engagement agreements dated 8 June 2015 entered into between the Company and each of Dingxianghui (Beijing) Investment Management Co., Ltd. (丁香匯(北京)投資管理有限公司) and Hong Kong Zhixin Financial News Agency Ltd. (香港智信財經通訊有限公司) (the “**Consultants**”) as amended by the respective supplemental agreements dated 17 July 2015 (the “**Engagement Agreements**”, a copy of which marked “A” has been produced to the meeting and initialed by the chairman of the meeting for the purpose of identification) be and is hereby approved, ratified and confirmed;
- (b) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited approving the listing of, and granting permission to deal in the shares of the Company to be issued pursuant to the exercise of the Options (as defined below) to be granted under the Specific Mandate (as defined below), the directors of the Company (the “**Directors**”) be and are hereby granted a specific mandate (the “**Specific Mandate**”) to grant options (the “**Options**”) to subscribe for an aggregate of 25,000,000 shares of the Company (the “**Option Shares**”) to the Consultants and to allot and issue, credited as fully paid the Option Shares to the Consultants pursuant to the terms of their respective Engagement Agreements, provided that the Specific Mandate shall be in addition to and shall not prejudice nor revoke the general mandate granted to the Directors by the shareholders of the Company in the annual general meeting of the Company held on 4 February 2015 or such other general or specific mandate(s) which may from time to time be granted to the Directors prior to or after the passing of this resolution;

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

- (c) all other transactions contemplated under the Engagement Agreements be and are hereby approved and any one or more Directors be and is/are hereby authorised to sign and execute such documents or agreements or deeds on behalf of the Company and do such things and take all such actions that he/they may in his/their sole discretion consider necessary or expedient to give effect to the foregoing authority.”

By order of the Board
China Maple Leaf Educational Systems Limited
Shu Liang Sherman Jen
Chairman and Co-Chief Executive Officer

Hong Kong, 5 August 2015

Notes:

- (1) For determining the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Thursday, 20 August 2015 to Monday, 24 August 2015, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 19 August 2015.
- (2) A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy or, if he is a holder of more than one share, proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (3) Where there are joint registered holders of any share of the Company, any one of such holders may vote at the meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such holders be present at the meeting personally or by proxy, that one of such holders so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (4) In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed or a certified copy of that power or authority, must be deposited at the Company’s Share Registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time for holding the meeting or any adjournment thereof.
- (5) Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting (or any adjournment thereof) and in such event, the form of proxy previously submitted shall be deemed to be revoked.
- (6) Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the above resolution will be voted by way of poll at the meeting.

* *For identification purpose only*