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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)

**COMPLETION OF PLACING OF EXISTING SHARES
AND
TOP-UP SUBSCRIPTION OF NEW SHARES
UNDER THE GENERAL MANDATE**

Placing Agent



The Board is pleased to announce that the completion of the Placing took place on 16 January 2018 in accordance with the terms and conditions of the Placing Agreement, where an aggregate of 110,000,000 Shares were successfully placed to not less than six Placees, who and whose ultimate beneficial owners are Independent Third Parties, at a price of HK\$9.1 per Share.

As all conditions of the Subscription have been fulfilled, the Company allotted and issued 110,000,000 Subscription Shares to the Vendor at HK\$9.1 per Subscription Share on 17 January 2018.

Reference is made to the announcement of the Company dated 12 January 2018 in respect of the Placing of existing Shares and the Subscription of Subscription Shares under the General Mandate (the “**Announcement**”). Unless defined otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE PLACING AND THE SUBSCRIPTION

The Board is pleased to announce that the completion of the Placing took place on 16 January 2018. An aggregate of 110,000,000 Placing Shares have been successfully placed by the Placing Agent to not less than six Placees at the Placing Price of HK\$9.1 per Share pursuant to the terms and conditions of the Placing Agreement. To the best knowledge of the Company having made all reasonable enquires, the Placing Agent, the Placees and their respective ultimate beneficial owner(s) are Independent Third Parties. None of the Placees has become a substantial Shareholder (as defined under the Listing Rules) immediately after the Placing.

As all conditions of the Subscription had been fulfilled, the Company allotted and issued 110,000,000 Subscription Shares to the Vendor at HK\$9.1 per Subscription Share on 17 January 2018. The net proceeds from the Subscription amount to approximately HK\$989.5 million and the Company intends to use such proceeds for the following purposes:

- (i) approximately 95% (representing approximately HK\$940 million) is expected to be used as cash reserves for potential overseas acquisitions and payment of the related expenses; and
- (ii) approximately 5% (representing approximately HK\$49.5 million) is expected to be used for other general corporate purposes to expand and enhance the existing business of the Company.

As at the date of this announcement, the Company has not entered into any formal agreement in relation to any such acquisition. However, the Company is in active discussions with a number of potential acquisition opportunities in the same industry as the Group and located in the overseas.

The table below sets out the shareholding structure of the Company before and after the completion of the Placing and the Subscription:

Shareholder	Capacity	Immediately before completion of the Placing and the Subscription		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and the Subscription	
		Number of Shares	%	Number of Shares	%	Number of Shares	%
Shu Liang Sherman Jen (Note 1)	Interest of a controlled corporation	741,819,909	53.77%	631,819,909	45.8%	741,819,909	49.8%
	Beneficial owner	2,451,425 (Note 4)	0.18%	2,451,425 (Note 4)	0.18%	2,451,425 (Note 4)	0.16%
	Interest of Spouse	671 (Note 5)	0.00%	671 (Note 5)	0.00%	671 (Note 5)	0.00%
Howard Robert Balloch (Note 2)	Interest of a controlled corporation	3,691,822	0.27%	3,691,822	0.27%	3,691,822	0.25%
	Beneficial owner	1,130,671	0.08%	1,130,671	0.08%	1,130,671	0.08%
Xiaodan Mei (Note 2)	Beneficial owner	20,000	0.00%	20,000	0.00%	20,000	0.00%
James William Beeke (Note 2)	Beneficial owner	680,671 (Note 6)	0.05%	680,671 (Note 6)	0.05%	680,671 (Note 6)	0.05%
Peter Humphrey Owen (Note 2)	Beneficial owner	60,671 (Note 7)	0.00%	60,671 (Note 7)	0.00%	60,671 (Note 7)	0.00%
Chak Kei Jack Wong (Note 3)	Beneficial owner	20,000	0.00%	20,000	0.00%	20,000	0.00%
Lap Tat Arthur Wong (Note 2)	Beneficial owner	210,000	0.02%	210,000	0.02%	210,000	0.01%
Jingxia Zhang (Note 2)	Beneficial owner	1,755,573 (Note 8)	0.13%	1,755,573 (Note 8)	0.13%	1,755,573 (Note 8)	0.12%
Placees and other public shareholders	Beneficial owner	627,751,026	45.50%	737,751,026	53.48%	737,751,026	49.53%
Total (Note 9)		<u>1,379,587,404</u>	<u>100%</u>	<u>1,379,587,404</u>	<u>100%</u>	<u>1,489,587,404</u>	<u>100%</u>

Notes:

1. As at the date of this announcement, Sherman Investment is wholly owned by Mr Jen. Mr. Jen is deemed to be interested in the 741,819,909 Shares held by Sherman Investment.
2. Each being a Director.
3. Chak Kei Jack Wong resigned as an independent non-executive Director of the Company on 27 August 2017.
4. Of which 2,015 are options to subscribe for new Shares.
5. Of which 671 are options to subscribe for new Shares.
6. Of which 671 are options to subscribe for new Shares.

7. Of which 671 are options to subscribe for new Shares.
8. Of which 1,007 are options to subscribe for new Shares.
9. Assuming none of the options had been exercised.

DISPENSATION FROM RULE 26 OF THE TAKEOVERS CODE

The Vendor is a controlling shareholder of the Company. The entire issued share capital of the Vendor is beneficially owned by Mr. Jen. Therefore, the Vendor and Mr. Jen are together deemed to be parties acting in concert under Rule 26 of the Code on Takeovers and Mergers (the “**Takeovers Code**”).

The Vendor has confirmed that, as at the date of this announcement, the Vendor and the persons acting in concert with it (i.e. Mr. Jen) have collectively been holding more than 50% of the issued share capital and voting rights of the Company continuously for more than 12 months immediately preceding the Placing Agreement and the Subscription Agreement. As a result of the Placing, the aggregate percentage shareholding of the Vendor and the persons acting in concert with it (i.e. Mr. Jen) reduced from approximately 53.95% to approximately 45.98% (a decrease of approximately 7.97%) and as a result of the Subscription, their aggregate percentage shareholding increased from approximately 45.98% to approximately 49.96% (an increase of approximately 3.98%). Pursuant to Note 6 on dispensations from Rule 26 of the Takeovers Code, a waiver under Rule 26 of the Takeovers Code is not required where a shareholder, together with persons acting in concert with it have continuously held more than 50% of the voting rights of a company for at least 12 months immediately preceding the relevant placing and top-up transaction. Given the Vendor and the persons acting in concert with it (i.e. Mr. Jen) have continuously held more than 50% of the voting rights of the Company for the past 12 months immediately preceding the Placing and the Subscription, a waiver under Rule 26 of the Takeovers Code is not required for the Subscription.

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

Hong Kong, 17 January 2018

As at the date of this announcement, the Board 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. Xiaodan Mei and Mr. Lap Tat Arthur Wong as independent non-executive Directors.

* *For identification purposes only*