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If you have sold or transferred all of your shares in China Maple Leaf Educational Systems Limited, you should at once hand this circular and the accompanying 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.

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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)

PROPOSED SHARE SUBDIVISION AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Capitalised terms used in this cover page shall have the same meaning as those defined in this circular.

A notice convening the EGM (as defined herein) of the Company to be held at Empire Room 1, 1/F, Empire Hotel Hong Kong, 33 Hennessy Road, Wanchai, Hong Kong, at 10:30 a.m. on Friday, 6 July 2018 is set out on pages 10 to 11 of this circular of the Company.

A form of proxy for the EGM is enclosed with this circular. If you do not intend to attend and vote at the EGM in person, you are requested to complete and return the enclosed form of proxy to the Company's branch 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 the holding of the meeting or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

19 June 2018

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DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	China Maple Leaf Educational Systems Limited, a company incorporated in the Cayman Islands with limited liability with its securities listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held on Friday, 6 July 2018 at 10:30 a.m. at Empire Room 1, 1/F, Empire Hotel Hong Kong, 33 Hennessy Road, Wanchai, Hong Kong to consider and, if thought fit, approve the Share Subdivision
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	5 June 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pre-IPO Share Option Scheme”	the share option scheme adopted by the Company on 1 April 2008
“Post-IPO Share Option Scheme”	the share option scheme adopted by the Company on 10 November 2014
“Share(s)”	the ordinary share(s) in the issued and unissued share capital of the Company, the par value of which being of US\$0.001 each prior to completion of the Share Subdivision

DEFINITIONS

“Shareholder(s)”	the holder(s) of the Share(s) and/or the Subdivided Share(s) (as the case may be)
“Share Option(s)”	option(s) to subscribe for Share(s) granted by the Company in accordance with the Pre-IPO Share Option Scheme and/or Post-IPO Share Option Scheme (as the case may be)
“Share Subdivision”	the proposed subdivision of every one (1) existing issued and unissued Share into two (2) Subdivided Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of par value of US\$0.0005 each in the share capital of the Company upon completion of the Share Subdivision
“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	United States dollars, the lawful currency of United States
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Subdivision is set out below:

2018

Latest time for lodging transfers of shares to qualify
for attending the EGM 4:30 p.m. on Friday, 29 June

Closure of register of members for the purpose of determining members
who are entitled to attend and vote at the EGM Tuesday, 3 July to Friday, 6 July
(both dates inclusive)

Latest time for lodging form of proxy for the EGM 10:30 a.m. on Wednesday, 4 July

Date and time of the EGM 10:30 a.m. on Friday, 6 July

Publication of the announcement of the results of the EGM Friday, 6 July

The following events are conditional upon the fulfilment of the conditions for the implementation of the Share Subdivision as set out in the section headed “Conditions of the Share Subdivision” of this circular.

Effective date of the Share Subdivision Monday, 9 July

First day of free exchange of the existing share
certificates for the new share certificates for the
Subdivided Shares Monday, 9 July

Dealing in Subdivided Shares commence 9:00 a.m. on Monday, 9 July

Original counter for trading in Shares in board lots
of 2,000 Shares temporarily closes 9:00 a.m. on Monday, 9 July

Temporary counter for trading in Subdivided Shares
in board lot size of 4,000 Subdivided Shares (in the
form of existing share certificates) opens 9:00 a.m. on Monday, 9 July

Original counter for trading in Subdivided Shares in
board lots of 2,000 Subdivided Shares (in the form
of new share certificates) reopens 9:00 a.m. on Monday, 23 July

Parallel trading in the Shares and Subdivided Shares
(in the form of existing share certificates and new
share certificates) commences 9:00 a.m. on Monday, 23 July

EXPECTED TIMETABLE

Temporary counter for trading in Subdivided Shares in
board lot size of 4,000 Subdivided Shares (in the form
of existing share certificates) closes 4:10 p.m. on Friday, 10 August

Parallel trading in the Shares and Subdivided Shares
(in the form of existing share certificates and new
share certificates) ends 4:10 p.m. on Friday, 10 August

Free exchange of the existing share certificates for the
new share certificates for the Subdivided Shares ends 4:00 p.m. on Tuesday, 14 August

All dates and times stated in this circular refer to Hong Kong dates and times. Dates stated in this circular for events in the timetable are indicative only and may be extended or varied. Any changes to the anticipated expected timetable for the Share Subdivision will be announced as and when appropriate.

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 Chief Executive Officer)

Ms. Jingxia Zhang *(Chief Financial Officer)*

Mr. James William Beeke

Registered office:

Maples Corporate Services Limited

P.O. Box 309, Ugland House

Grand Cayman, KY1-1104

Cayman Islands

Non-Executive Director:

Mr. Howard Robert Balloch *(Vice Chairman)*

Head office and principal place of business in China:

Maple Leaf Educational Park

6 Central Street

Jinshitan National Tourist Area

Dalian, Liaoning Province 116650

China

Independent Non-Executive Directors:

Mr. Peter Humphrey Owen

Mr. Xiaodan Mei

Mr. Lap Tat Arthur Wong

Principal place of business in Hong Kong:

Room 1302, 13/F.

Tai Tung Building

8 Fleming Road

Wanchai, Hong Kong

19 June 2018

To the Shareholders

Dear Sir or Madam,

PROPOSED SHARE SUBDIVISION AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 23 May 2018 in relation to, among other things, the Share Subdivision.

LETTER FROM THE BOARD

The purpose of this circular is to provide you among other things, (i) details of the Share Subdivision and (ii) a notice convening the EGM.

PROPOSED SHARE SUBDIVISION

The Board proposes to implement the Share Subdivision by subdividing every one (1) existing issued and unissued Share in the share capital of the Company into two (2) Subdivided Shares.

Effects of the Share Subdivision

As at the Latest Practicable Date, the authorised share capital of the Company is US\$4,000,000 divided into 4,000,000,000 Shares, of which 1,489,592,439 Shares are issued and credited as fully paid. Assuming that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the EGM, immediately after the Share Subdivision becoming effective, the authorised share capital of the Company will become US\$4,000,000 divided into 8,000,000,000 Subdivided Shares, of which 2,979,184,878 Subdivided Shares will be in issue and are credited as fully paid.

Upon the Share Subdivision becoming effective, all Subdivided Shares will rank pari passu with each other in all respects and shall have the same rights and privileges and be subject to the same restrictions as the Shares in issue prior to the Share Subdivision and the Share Subdivision will not result in any change in the relevant rights of the Shareholders.

The Shares are currently traded in the board lots of 2,000 Shares. Upon the Share Subdivision becoming effective, the board lot size for trading will remain unchanged in board lots of 2,000 Subdivided Shares. The Share Subdivision is not expected to result in any odd lots other than those that already exist.

Conditions of the Share Subdivision

The Share Subdivision is conditional upon:

- (a) the passing of an ordinary resolution to approve the Share Subdivision by the Shareholders at the EGM; and
- (b) the Stock Exchange granting the approval to the listing of, and permission to deal in, the Subdivided Shares.

The Share Subdivision will become effective after the conditions of the Share Subdivision above are fulfilled.

Listing application

An application has been made by the Company to the Stock Exchange for the listing of and the permission to deal in the Subdivided Shares. Subject to the granting of the listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange, the Subdivided Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange or such other date as determined by

LETTER FROM THE BOARD

HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the equity or debt securities of the Company is listed or dealt in on any other stock exchanges other than the Stock Exchange and no such listing permission to deal in is being or is currently proposed to be sought from any other stock exchange.

Free exchange of Subdivided Shares' certificates and trading arrangement

Subject to the Share Subdivision becoming effective, which is expected to be on Monday, 9 July 2018, Shareholders may, during the period from Monday, 9 July 2018 to Tuesday, 14 August 2018 (both days inclusive) between 9:00 a.m. and 4:00 p.m. on any Business Day, submit share certificates for the existing Shares in pink colour to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited ("**Hong Kong Branch Share Registrar**") at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange, at the expense of the Company, for new share certificates of the Subdivided Shares in green colour. After the expiry of such period, each share certificate for the existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each new share certificate issued for the Subdivided Shares or each share certificate for the existing Shares submitted for cancellation, whichever the number of share certificates issued or cancelled is higher.

The existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on Tuesday, 14 August 2018 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates will continue to be good evidence of title to the Subdivided Shares on the basis of one Share for two Subdivided Shares.

It is expected that the new share certificates will be available for collection within a period of ten Business Days after the submission of the existing share certificates to the Company's Hong Kong Branch Share Registrar for exchange.

Securities convertible or exchangeable into Shares

As at the Latest Practicable Date, there are outstanding Share Options (which may be exercised into 170,674 Shares) granted under the Pre-IPO Share Option Scheme. Under the relevant terms and conditions of the Pre-IPO Share Option Scheme and Post-IPO Share Option Scheme, the Share Subdivision may lead to adjustments to the exercise price and/or the number of Shares falling to be issued upon the exercise of the Share Options. The Company will make further announcement(s) on such adjustments as and when appropriate.

Save as disclosed above, as at the Latest Practicable Date, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

LETTER FROM THE BOARD

REASONS FOR THE SHARE SUBDIVISION

Upon the Share Subdivision becoming effective, the par value of each share of the Company will decrease and the total number of shares of the Company in issue will increase. As a result, the Share Subdivision is expected to result in reducing the trading price of each share in the Company correspondingly which would appeal to more investors. The Board believes that the Share Subdivision will improve the liquidity in trading of the shares in the Company and thereby widen its Shareholder base.

As at the Latest Practicable Date, the Company has no intention for any equity fund raising activities and/or further corporate action or arrangement that may affect the trading in the Shares. Nevertheless, the Company does not obviate the possibility of conducting equity fund raising activities in the future to finance its business development and expansion as and when necessary.

Save for the expenses incurred by the Company in implementing the Share Subdivision, the Share Subdivision will have no material effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business operations, management or financial position of the Company or the interests of the Shareholders. The Directors believe that the Share Subdivision will not have any material adverse effect on the financial position of the Group.

In view of the above, the Board considers that the Share Subdivision is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

EGM

The Share Subdivision will be conditional, among other things, upon passing by the Shareholders of ordinary resolution at the EGM.

The notice of EGM is set out on pages 10 to 11 of this circular. A form of proxy for the EGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange (www.hkex.com.hk). If you do not intend to attend and vote at the EGM in person, you are requested to complete and return the form of proxy to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the meeting or any adjournment thereof. The completion and return of a form of proxy will not preclude you from attending and voting in person at the EGM or at any adjournment thereof should you wish and, in such event, the form of proxy shall be deemed to be revoked.

In compliance with the Listing Rules, the ordinary resolution will be voted on by way of a poll at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the ordinary resolution to approve the Share Subdivision at the EGM.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors are of the opinion that the proposed resolution referred in this circular and the notice of EGM are in the best interests of the Company and the Shareholders as a whole. The Directors recommend the Shareholders to vote in favour of the resolution as set out in the notice of EGM.

RESPONSIBILITY STATEMENT

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

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

* *For identification purposes only*

NOTICE OF EGM



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 (“EGM”) of China Maple Leaf Educational Systems Limited (the “**Company**”) will be held at Empire Room 1, 1/F, Empire Hotel Hong Kong, 33 Hennessy Road, Wanchai, Hong Kong, at 10:30 a.m. on Friday, 6 July 2018 for the purposes of considering and, if thought fit, passing and approving the following resolution:

ORDINARY RESOLUTION

1. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval for the listing of, and permission to deal in, the Subdivided Shares (as defined below), each of the issued and unissued ordinary shares of par value of US\$0.001 each be and is hereby subdivided into two (2) ordinary shares of par value of US\$0.0005 each (the “Subdivided Shares”) with effect from the above condition being fulfilled; such Subdivided Share(s) shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the memorandum and articles of association of the Company; and any director of the Company be and is hereby authorised to sign and execute such documents and do all such acts and things and to effect all necessary actions as he considers necessary, desirable or expedient in order to effect, implement and complete any and all of the aforesaid matters.”

By order of the Board

China Maple Leaf Educational Systems Limited

Shu Liang Sherman Jen

Chairman and Chief Executive Officer

Hong Kong, 19 June 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.

NOTICE OF EGM

Notes:

1. A shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxy(ies) (if he/she/it is the holder of two or more shares) to attend and on a poll, vote instead of him/her/it at the EGM and the appointment shall specify the number of shares in respect of which such proxy is so appointed. A proxy need not be a member of the Company.
2. In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company's branch 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 appointed for holding the EGM or any adjournment thereof.
3. Completion and return of the form of proxy will not preclude members from attending and voting in person at the EGM or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
4. Where there are joint registered holders of any shares, any one of such joint holders may vote, either in person or by proxy in respect of such shares as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall be accepted to the exclusion of the votes of the other joint registered holders.
5. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 7:30 a.m. on the date of the EGM, the meeting will be postponed. The Company will publish an announcement on the website of the Company at www.mapleleaf.cn and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and venue of the rescheduled meeting.

* *For identification purposes only*