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枫叶教育

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)

ANNOUNCEMENT PURSUANT TO RULE 13.18 OF THE LISTING RULES

This announcement is issued pursuant to Rule 13.18 of the Listing Rules.

Reference is made to the Company's announcements dated 22 June 2020 and 15 July 2020 (the "**Announcements**"). Unless the context otherwise requires, terms used in this announcement shall have the same meaning as those defined in the Announcements.

TERM LOAN FACILITY

The Board of the Company is pleased to announce that, on 16 August 2020, the Company (as a guarantor), the Purchaser (as a borrower) and a subsidiary of the Company (as a guarantor) have entered into a facility agreement (the "**Term Loan Facility Agreement**") with certain lenders pursuant to which the lenders agreed to make available a term loan facility in an aggregate amount up to SGD225,000,000 with a final maturity date being the date which is three years after the utilisation date of the term loan (the "**Term Loan Facility**"). The proceeds of the Term Loan Facility will be used for the full settlement of the Bank Debt.

BRIDGE LOAN FACILITY

The Board of the Company is also pleased to announce that, on 16 August 2020, the Company (as a borrower), the Purchaser (as a guarantor) and certain subsidiaries of the Company (each as a guarantor) have entered into a facility agreement (the "**Bridge Loan Facility Agreement**", together with the Term Loan Facility Agreement, the "**Facility Agreements**") with certain lenders pursuant to which the lenders agreed to make available a bridge loan facility in an aggregate amount up to SGD158,000,000 with a final maturity date being the date which is 350 days after the utilization date of the bridge loan facility ("**Bridge Loan Utilisation Date**") assuming the extension option is being exercised pursuant to the Bridge Loan Facility Agreement (or six months after the Bridge Loan

* For identification purpose only

Utilisation Date if the extension option is not exercised) (the “**Bridge Loan Facility**”, together with the Term Loan Facility, the “**Facilities**”). The proceeds of the Bridge Loan Facility will be used for partial payment of the First Tranche Consideration.

SPECIFIC PERFORMANCE OBLIGATION OF THE CONTROLLING SHAREHOLDER

Pursuant to the Facility Agreements, the Facilities must be prepaid (among other matters) if:

- (i) Dr. Shu Liang Sherman Jen (“**Dr. Jen**”), chairman and executive director of the Company, does not or ceases to own beneficially at least 45% of each class of the issued share capital of the Company excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital (or at least 40% after a permitted issue of shares pursuant to the Facility Agreements);
- (ii) Dr. Jen does not or ceases to have the power to:
 - a. cast or control of the casting of at least 45% of the maximum number of vote that might be cast at a general meeting of the Company (or at least 40% after a permitted issue of shares pursuant to the respective Facility Agreement);
 - b. appoint or remove all or majority of the directors or other equivalent officers of the Company; or
 - c. give directions with respect to the operating and financial policies of the Company;
- (iii) Dr. Jen is not or ceases to be the single largest owner of each class of the issued share capital of the Company; and
- (iv) Dr. Jen is not or ceases to be the chairman of the Board of the Company,

and in such event the Facilities will be terminated and all outstanding loans under the Facilities may immediately become payable on demand.

As of the date of this announcement, Dr. Jen owns, directly or indirectly 51.67% of the total issued share capital of the Company.

The Company will make continuing disclosure in its subsequent interim and annual reports for so long as such obligation continues to existing pursuant to Rule 13.21 of the Listing Rules.

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

Hong Kong, 17 August 2020

As at the date of this announcement, the Board comprises Dr. Shu Liang Sherman Jen, Ms. Jingxia Zhang and Mr. James William Beeke as Executive Directors; and Mr. Peter Humphrey Owen, Dr. Alan Shaver and Mr. Lap Tat Arthur Wong as Independent Non-executive Directors.