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US\$125,000,000 2.25 PER CENT. CONVERTIBLE BONDS DUE 2026

ISSUED BY



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: 01317)

(the “Company”)

(the “Bonds”)

(Stock Code: 40564)

MEETING OF BONDHOLDERS

This announcement does not contain the full terms of the Extraordinary Resolution (as defined below), which are contained in the Notice of Meeting (as defined below). Bondholders may obtain the Notice of Meeting (including the form of the Amended and Restated Trust Deed) from the Tabulation Agent, the contact details for which are set out below. In order to access a copy of the Notice of Meeting, a Bondholder will be required to provide confirmation as to such person’s status as a Bondholder.

OVERVIEW

This announcement is made by the Company, together with its subsidiaries and consolidated affiliated entities, the “**Group**”, pursuant to Rules 13.09(2) and 37.47E(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the Bonds and to the announcements of the Company dated 27 April 2022, 16 May 2022, 30 May 2022, 1 June 2022, 1 August 2022, 16 August 2022, 1 September 2022 and 16 September 2022 (collectively, the “**Announcements**”).

Capitalised terms used but not otherwise defined herein shall have the meanings ascribed to them in the Notice of Meeting (as defined below) and the Announcements (as applicable).

The Company has today issued and disseminated to Bondholders a notice of meeting (dated 5 October 2022) (the “**Notice of Meeting**”) in accordance with Condition 17 of the Bond Conditions, to request Bondholders to consider and, if thought fit, approve and pass the Extraordinary Resolution (as defined in the Notice of Meeting), at a meeting of the Bondholders (the “**Meeting**”), which will provide for certain amendments and waivers in relation to the Bonds, as more fully described in the Notice of Meeting.

BACKGROUND

Occurrence of Relevant Event under the Bonds

On 27 April 2022, 16 May 2022 and 30 May 2022, the Company made announcements in relation to, among other matters, the delay in publication of the unaudited interim results of the Group for the six months ended 28 February 2022 (the “**Interim Results**”). As a result of the delay in the publication of the Interim Results, the publication of the interim report for the six months ended 28 February 2022 as required under the Listing Rules is also delayed.

In light of the abovementioned delay, trading of the Company’s shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 3 May 2022 until further notice (the “**May 2022 Suspension**”).

A Relevant Event (the “**Applicable Relevant Event**”) occurred on 23 May 2022 on the basis of the occurrence of the May 2022 Suspension.

On 1 June 2022, a notice in relation to the occurrence of the Applicable Relevant Event was given by the Company to the Bondholders, regarding the Bondholders' right under Condition 8(E) (*Redemption for Relevant Event*) of the Bond Conditions to require the Company to redeem all or some of each such holder's Bonds on the Relevant Event Redemption Date at the Early Redemption Amount together with interest accrued but unpaid to (but excluding) such date, by delivering a Relevant Event Redemption Notice to the Paying Agent in accordance with the Bond Conditions.

Bondholders holding 100 per cent. of the aggregate principal face value of the Bonds delivered Relevant Event Redemption Notices in connection with the Applicable Relevant Event within the applicable exercise period.

Occurrence of Event of Default under the Bonds

The Relevant Event Redemption Date in respect of the Applicable Relevant Event fell on 14 August 2022 which was a non-business day, meaning that payment in respect of the Relevant Event Redemption Date was required to be made on 15 August 2022 (the "**Applicable Redemption Date**").

Pursuant to the Bond Conditions, the Company was required to redeem the Bonds on the Applicable Redemption Date at the Early Redemption Amount together with interest accrued but unpaid to (but excluding) such date. The Company has not made such redemption which triggered the occurrence of an Event of Default under the Bonds on 16 August 2022. Such Event of Default remains outstanding as at the date of this announcement.

Standstill Agreement and Proposal in relation to the Bonds

Notwithstanding the occurrence of the Applicable Relevant Event, on 15 August 2022, the Company and holders of the Bonds who collectively hold or are economically entitled to approximately 70 per cent. of the principal amount of the Bonds (the "**Consenting Bondholders**") entered into the First Standstill Agreement which set out, among other things, the parties' in-principle agreement to implement and otherwise give effect to the original "**Proposal**" as defined in the notice of meeting from the Company to the Bondholders dated 1 September 2022.

In this regard, a (i) notice in relation to the First Standstill Agreement was given by the Company to the Bondholders on 16 August 2022 and (ii) an announcement in relation to the First Standstill Agreement was published by the Company on 16 August 2022.

The First Standstill Agreement was automatically terminated in accordance with its terms on 14 September 2022, following which the Company and the Consenting Bondholders entered into further negotiations, including in relation to the Escrow Agreement (as defined below). In light of the foregoing, the meeting of the holders of the Bonds scheduled to be held at 10:00 a.m. (Hong Kong time) on 23 September 2022 at the office of Ashurst Hong Kong at 11/F, Jardine House, 1 Connaught Place, Central, Hong Kong was cancelled by way of notice from the Company to the Bondholders dated 15 September 2022 (the "**23 September Meeting**"). An announcement in relation to the cancellation of the 23 September Meeting was published by the Company on 16 September 2022.

The Company is pleased to confirm that on 4 October 2022, the Company and the Consenting Bondholders entered into a second standstill agreement (the “**Second Standstill Agreement**”), which sets out, among other things, the parties’ in-principle agreement to implement and otherwise give effect to the new Proposal (as defined in the Extraordinary Resolution set out in the Notice of Meeting).

The Second Standstill Agreement is drafted on substantially similar terms as the First Standstill Agreement, albeit the Mandatory Redemption Undertaking (as defined in the announcement of the Company dated 16 August 2022) has been amended such that the first 40 per cent. redemption of the Bonds originally issued at their principal amount plus accrued and unpaid interest (the “**Redemption Amount**”) shall now take place on the date that is seven business days following the date of the Release Notice (as defined in the Escrow Agreement) as required by Condition 8(F)(i) (*Mandatory redemption*) of the Amended and Restated Trust Deed (the “**Amended Mandatory Redemption Date**”).

Until the Amended Mandatory Redemption Date, an amount equal to 40 per cent. of the Bonds originally issued at their principal amount plus accrued and unpaid interest up to 8 November 2022 (which comprises all, or substantially all, of the Redemption Amount) shall be subject to the terms of an escrow agreement dated 4 October 2022 entered into between, the Company, the SGD Loan Agent, a representative of the Consenting Bondholders and the Escrow Agent (the “**Escrow Agreement**”).

Against this background, the Company seeks consent from the Bondholders to sanction the new Proposal as set out in the Extraordinary Resolution.

MEETING OF BONDHOLDERS

The Meeting will be held on 27 October 2022 at 10:00 a.m. (Hong Kong time) at the office of Ashurst Hong Kong at 11/F, Jardine House, 1 Connaught Place, Central, Hong Kong (the “**Meeting Venue**”).

In light of the ongoing developments in relation to COVID-19, it may become impossible or inadvisable to hold the Meeting at the Meeting Venue. To the extent that the Company determines that it will not be possible or advisable to hold the Meeting at the Meeting Venue, the Company reserves the right to hold the Meeting by audio or video conference call or other electronic means (a “Virtual Meeting”).

In the event that the Company determines that a Virtual Meeting is required, the Trustee will prescribe further regulations to permit attendance at a Virtual Meeting by audio or video conference call or other electronic means. In those circumstances, those Bondholders who have indicated that they wish to attend the Meeting in person and those persons (other than the Tabulation Agent (or its nominees)) who have been appointed as proxies to attend and vote at the Meeting will be contacted ahead of the Virtual Meeting to provide their identification documentation and will subsequently be provided with further details about access to the Virtual Meeting. By electing to attend the Virtual Meeting, each such person shall be deemed to have fully understood and consented to any process governing the Virtual Meeting. A Bondholder who has instructed and authorised the Tabulation Agent (or its nominees) as its proxy in respect of the Bonds in relation to the Meeting in a Consent Instruction will be unaffected if the Meeting is held as a Virtual Meeting and will not be requested or required to take any further action.

IMPLEMENTATION OF EXTRAORDINARY RESOLUTION

The implementation of the Extraordinary Resolution is conditional upon the passing of the Extraordinary Resolution. Accordingly, if the Extraordinary Resolution is not passed, the Extraordinary Resolution will not be implemented.

If, and only if, the Extraordinary Resolution is passed, the Extraordinary Resolution may be implemented.

The Company will, as soon as reasonably practicable after the Meeting, announce:

- i. the results of the Meeting; and
- ii. if the Extraordinary Resolution is passed, the effectiveness of the Proposed Waivers and the Implementation Date in relation to the Proposed Amendments.

The Proposed Waivers will be effective upon the passing of the Extraordinary Resolution.

The Proposed Amendments will be effective upon the execution and delivery of the Amended and Restated Trust Deed and the Amended and Restated Agency Agreement (the forms of which are attached to Annex 1 (*Form of the Amended and Restated Trust Deed*) and Annex 2 (*Form of the Amended and Restated Agency Agreement*) to the Notice of Meeting and is available from the Tabulation Agent, as more fully set out under “*Documents Available for Inspection*” below) on the Implementation Date and are subject to the passing of the Extraordinary Resolution.

DOCUMENTS AVAILABLE FOR INSPECTION

Bondholders may, from the date of this announcement up to and including the date of the Meeting (or any adjourned Meeting) (and, in each case, for 15 minutes prior thereto at the venue), request electronic copies of the documents set out below from the Tabulation Agent, the contact details of which are specified below (free of charge) subject to satisfactory proof of holding:

- (a) the Notice of Meeting;
- (b) the Trust Deed;
- (c) the form of the Amended and Restated Trust Deed;
- (d) the Agency Agreement; and
- (e) the form of the Amended and Restated Agency Agreement.

GENERAL

The attention of Bondholders is particularly drawn to the quorum required for the Meeting and for an adjourned Meeting which is summarised in the section entitled “*Voting and Quorum*” below and set out in detail in the Notice of Meeting. Having regard to such requirements, Bondholders are strongly urged either to submit valid Consent Instructions in accordance with the Notice of Meeting or to attend or to take steps to be duly represented at the Meeting in accordance with the Meeting Provisions, as soon as possible.

Only Direct Participants may submit or deliver Consent Instructions. Bondholders whose Bonds are held on their behalf by a broker, dealer, commercial bank, custodian, trust company or accountholder must contact and request such broker, dealer, commercial bank, custodian, trust company or accountholder to effect the relevant Consent Instructions on their behalf sufficiently in advance of 10.00 a.m. (Hong Kong time) on 25 October 2022 (the “**Voting Deadline**”) in order for such Consent Instructions to be delivered in accordance with any deadlines as described in the Notice of Meeting.

Bondholders wishing to attend the Meeting in person have the right to attend in accordance with the provisions set out in the Notice of Meeting and the Meeting Provisions.

If Consent Instructions are not received from or on behalf of a Bondholder in accordance with the voting instructions set out herein (and such Bondholder does not otherwise make arrangements to vote at the Meeting by appointing a proxy or to attend in person also in advance of the Voting Deadline), such Bondholder will be deemed to have declined to vote in respect of the Extraordinary Resolution.

In accordance with normal practice, none of the Trustee, the Agents relating to the Bonds or the Tabulation Agent expresses any view as to the merits of the new Proposal or the Extraordinary Resolution. None of the Trustee, the Agents or the Tabulation Agent has been involved in negotiating the Proposed Waivers and Proposed Amendments or the Extraordinary Resolution or makes any representation that all relevant information has been disclosed to the Bondholders in or pursuant to the Extraordinary Resolution and the Notice of Meeting. Furthermore, none of the Trustee, the Agents or the Tabulation Agent makes any assessment of the impact of the new Proposal presented to Bondholders in the Notice of Meeting on the interests of the Bondholders or makes any recommendations on the Extraordinary Resolution or whether agreement to the new Proposal should be made. Accordingly, Bondholders who are unsure of the impact of the new Proposal and the Extraordinary Resolution should seek their own financial, legal and tax advice.

VOTING AND QUORUM

The provisions governing the convening and holding of the Meeting are set out in the Meeting Provisions, a copy of which is included in the Trust Deed and is available for inspection as referred to above. A Bondholder who has delivered or procured the delivery of a Consent Instruction need take no further action.

Bondholders whose Bonds are held by Clearstream or Euroclear (as applicable) should contact the Tabulation Agent for further information.

The approval of the new Proposal does not require the consent of all Bondholders. Once the new Proposal becomes operative, the Proposed Amendments and the Proposed Waivers will be binding on all Bondholders, whether or not they were present at the Meeting and regardless of whether a Bondholder has consented to such amendments and waivers.

Bondholders who need assistance with respect to the procedures in relation to the Extraordinary Resolution should contact the Tabulation Agent at the following contact details:

Kroll Issuer Services Limited

Email: mapleleaf@is.kroll.com

Telephone: +44 20 7704 0880 (in London)/+852 2281 0114 (in Hong Kong).

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

Hong Kong, 5 October 2022

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; and Mr. Peter Humphrey Owen, Mr. Alan Shaver and Mr. Lap Tat Arthur Wong as Independent Non-executive Directors.

Trading in the shares of the Company (Stock Code: 1317) and the debt securities of the Company (Debt Securities Stock Code: 40564) on the Stock Exchange has been suspended since 9:00 a.m. on 3 May 2022 due to the delay in publication of the unaudited interim results of the Group for the six months ended 28 February 2022 and will remain suspended until the Company fulfils the Resumption Guidance imposed by the Stock Exchange on the Company as described in the announcement of the Company dated 30 May 2022. Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

* For identification purposes only