

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute or form part of and should not be construed as, an invitation or offer to acquire, purchase, subscribe, sell or issue securities or an invitation to enter into any agreement to do any such things, nor is it calculated to invite any offer to acquire, purchase or subscribe for any securities.

*The information contained in this announcement is not for distribution or circulation, directly or indirectly, in or into the United States. This announcement is solely for the purpose of reference and does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.*

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



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)

(the “Company”)

(the “Bonds”)

(Stock Code: 40564)

INSIDE INFORMATION –

**UPDATE IN RELATION TO COMPLIANCE WITH CERTAIN
CONDITIONS OF THE BONDS**

DEFINITIONS AND INTRODUCTION

This announcement is made by the Company, together with its subsidiaries and consolidated affiliated entities, the “**Group**”, pursuant to 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) and Rules 37.47A, 37.47B, 37.47E(a) and 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”).

Reference is made to the amended and restated trust deed in relation to the Bonds dated 27 October 2022 between the Company as Issuer and Citicorp International Limited as Trustee (the “**Trust Deed**”). Reference is also made to Condition 4(C) (*Second Ranking CIS Encumbrance*); Condition 8(E) (*Redemption for Relevant Event*); and Condition 8(F)(ii) (*Mandatory redemption*) of the Bonds.

Capitalised terms used, but not otherwise defined herein, shall have the meanings ascribed to them in the Trust Deed and the Conditions (as applicable).

TRADING SUSPENSION AND OCCURRENCE OF RELEVANT EVENT

Since May 2022, the Company has made announcements in relation to, among other matters, (i) the delay in the publication of the unaudited interim results of the Group for the six months ended 28 February 2022 (the “**Interim Results**”); (ii) the suspension of trading in the securities of the Company since 9:00 a.m. on 3 May 2022; (iii) the establishment of the independent board committee of the board of directors of the Company and the appointment of the independent investigator; (iv) the letter from the Stock Exchange setting out the guidance for the resumption of trading in the Company’s shares (the “**Resumption Guidance**”); (v) the quarterly updates on the resumption progress; and (vi) the delay in publication of the audited annual results of the Group for the year ended 31 August 2022.

In light of the abovementioned matters, 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.

Pursuant to Condition 8(E) (*Redemption for Relevant Event*), a Relevant Event shall occur if the Company’s shares continue to remain suspended from trading on the Stock Exchange on 17 April 2023.

Despite the Company’s best efforts to comply with Condition 8(E) (*Redemption for Relevant Event*), trading in the Company’s shares on the Stock Exchange is expected to remain suspended on 17 April 2023 resulting in the occurrence of a Relevant Event. A further announcement will be made by the Company pursuant to Rule 13.24A of the Listing Rules with regard to the quarterly updates on its progress in complying with the Resumption Guidance on 28 April 2023.

Upon the occurrence of a Relevant Event, the holder of each Bond will have the right, at such holder's option, to require the Company to redeem all or some only of 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 in accordance with the Bond Conditions (the "**Bondholder Put Option**"). The procedures in relation to the exercising of the Bondholder Put Option are set out in Condition 8(E) (*Redemption for Relevant Event*). Whether or not to exercise the Bondholder Put Option is at the discretion of the Bondholders.

SECOND RANKING CIS ENCUMBRANCE AND SECOND MANDATORY REDEMPTION

The Company is not in a position to, and hereby gives notice that it shall not, exercise the CIS Encumbrance Option pursuant to Condition 4(C) (*Second Ranking CIS Encumbrance*) on the basis that the creation of the Second Ranking CIS Encumbrance would trigger an 'event of default' under the New SGD Loan.

Consequently, on 27 June 2023, under Condition 8(F)(ii) (*Mandatory redemption*), the Company is required to redeem (on a pro rata basis) 25 per cent. of the aggregate principal amount of the Bonds originally issued as at the Issue Date, being U.S.\$31,250,000 at their principal amount together with interest accrued but unpaid to (but excluding) such date (the "**Second Mandatory Redemption**").

Due to the prevailing controls of the State Administration of Foreign Exchange of the People's Republic of China (the "**PRC**") and other related PRC policies and regulations which are currently preventing the Company and its applicable Subsidiaries from remitting sufficient funds out of the PRC, regrettably, the Company will not have sufficient offshore funds to make the Second Mandatory Redemption on 27 June 2023, resulting in the occurrence of an Event of Default under Conditions 10(A)(i) and (v).

RESOLUTION OF THE ABOVE MATTERS

The Company would like to express its gratitude and appreciation for the Bondholders' continued support in light of the matters referred to above and appeals to all the Bondholders for their ongoing patience and understanding. The Company continues to engage Ashurst Hong Kong as its legal advisor in relation to the Bonds with a view to assisting the Company to facilitate a transparent dialogue between the Company and the Bondholders.

In this regard, the Company shall seek to engage with an ad hoc group of Bondholders in order to facilitate discussions regarding feasible proposals and options to achieve a consensual resolution in relation to the Bonds as soon as possible.

Bondholders may contact representatives of Ashurst Hong Kong at cml@ashurst.com.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company (Stock Code: 1317) and the Bonds (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 Interim Results and will remain suspended until the Company fulfils the Resumption Guidance. The Company will publish further announcement(s) to inform the Shareholders and potential investors of its progress in complying with the Resumption Guidance as and when appropriate, as well as quarterly updates on its development pursuant to Rule 13.24A of the Listing Rules.

The implementation of any resolution to the matters referred to herein is subject to factors not within the control of the Company. As there is no assurance that any resolution will be successfully implemented, holders of securities of the Company and other investors of the Company are (i) advised not to rely solely on the information contained in this announcement or any other announcements as may be issued by the Company from time to time and (ii) are reminded to consider the related risks and exercise caution when dealing in the securities of the Company. When in doubt, holders of securities and other investors of the Company are advised to seek professional advice from their own professional or financial advisors.

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

Hong Kong, 14 April 2023

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; Dr. Kem Hussain as a non-executive director; and Mr. Peter Humphrey Owen, Mr. Alan Shaver, Ms. Wai Fong Wong and Mr. King Pak Lau as independent non-executive directors.

* *For identification purposes only*