

**THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in doubt as to any aspect of the Offer, this Offer Document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Kingsley Edugroup Limited, you should at once hand this Offer Document and the Acceptance Form to the purchaser(s) or transferee(s) or the licensed securities dealer or registered institution in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or transferee(s).

This Offer Document should be read in conjunction with the Acceptance Form, the contents of which form part of the terms and conditions of the Offer.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Offer Document and the Acceptance Form, make no representation as to their 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 Offer Document and the Acceptance Form.



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)

**MAPLE LEAF EDUCATION ASIA  
PACIFIC LIMITED**

楓葉教育亞太有限公司

*(Incorporated in Hong Kong with limited liability)*

**OFFER DOCUMENT  
RELATING TO  
VOLUNTARY CONDITIONAL GENERAL CASH  
OFFER BY BALLAS CAPITAL LIMITED  
ON BEHALF OF MAPLE LEAF EDUCATION ASIA PACIFIC LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES IN THE SHARE CAPITAL OF  
KINGSLEY EDUGROUP LIMITED (OTHER THAN THOSE ALREADY OWNED  
OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN  
CONCERT WITH IT)**

**Financial adviser to the Offeror**

**BALLAS**  
CAPITAL

Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Offer Document.

A letter from Ballas Capital containing, among other things, details of the terms and conditions of the Offer, is set out on pages 11 to 26 of this Offer Document.

The procedures for acceptance and settlement of the Offer are set out in Appendix I to this Offer Document and in the Acceptance Form. Acceptance of the Offer should be received by the Registrar as soon as possible and in any event no later than 4:00 p.m. on 18 March 2020 (being the First Closing Date) or such later time and/or the date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

Persons including, without limitation, custodians, nominees and trustees who would, or otherwise intend to, forward this Offer Document and/or the Acceptance Form to any jurisdiction outside Hong Kong should read the details in this regard as contained in the section headed "Important Notice" in this Offer Document before taking any action. It is the sole responsibility of each Overseas Kingsley Shareholder wishing to accept the Offer to satisfy himself, herself or itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including obtaining any governmental, exchange control or other consents which may be required, compliance with other necessary formalities or legal requirements, and the payment of any transfer or other taxes due in respect of such jurisdiction. Overseas Kingsley Shareholders are advised to seek professional advice on deciding whether to accept the Offer.

\* For identification purposes only

19 February 2020

<b>CONTENTS</b>
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	<i>Page</i>
<b>EXPECTED TIMETABLE</b> .....	1
<b>IMPORTANT NOTICE</b> .....	4
<b>DEFINITIONS</b> .....	5
<b>LETTER FROM BALLAS CAPITAL</b> .....	11
<b>APPENDIX I — FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFER</b> .....	I-1
<b>APPENDIX II — GENERAL INFORMATION OF THE OFFEROR</b> .....	II-1
<b>ACCOMPANYING DOCUMENT — ACCEPTANCE FORM</b>	

## EXPECTED TIMETABLE

*The timetable set out below is indicative only and may be subject to change. Further announcement(s) will be made as and when appropriate.*

*All references to times and dates contained in this Offer Document are to Hong Kong times and dates.*

**2020**

Despatch date of this Offer Document and the Acceptance Form ( <i>Note 1</i> ) .....	Wednesday, 19 February
Offer open for acceptance ( <i>Note 1</i> ) .....	Wednesday, 19 February
Latest time for posting of the Response Document ( <i>Note 2</i> ) .....	Wednesday, 4 March
First Closing Date of the Offer ( <i>Notes 3 and 8</i> ) .....	by 4:00 p.m. on Wednesday, 18 March
Announcement of the results of the Offer as at the First Closing Date to be posted on the website of the Stock Exchange .....	by 7:00 p.m. on Wednesday, 18 March
Latest date for posting of remittance for the amount due in respect of valid acceptances received under the Offer on or before 4:00 p.m. on the First Closing Date assuming the Offer become or are declared unconditional in all respects on the First Closing Date ( <i>Notes 6 and 8</i> ) .....	Friday, 27 March
Latest time and date for the Offer to remain open for acceptance assuming the Offer become or are declared unconditional in all respects on the First Closing Date (i.e. the Final Closing Date) ( <i>Notes 4 and 8</i> ) .....	by 4:00 p.m. on Wednesday, 1 April
Announcement of the results of the Offer as at the Final Closing Date to be posted on the website of the Stock Exchange ( <i>Note 5</i> ) .....	by 7:00 p.m. on Wednesday, 1 April
Latest date for posting of remittance for the amount due in respect of valid acceptances received under the Offer on or before 4:00 p.m. on the Final Closing Date assuming the Offer become or are declared unconditional in all respects on the First Closing Date ( <i>Notes 6 and 8</i> ) .....	Tuesday, 14 April
Latest time by which the Offer can become or be declared unconditional as to acceptances ( <i>Notes 7 and 8</i> ) .....	by 7:00 p.m. on Friday, 17 April

## EXPECTED TIMETABLE

*Notes:*

1. The Offer is capable of acceptance on and from Wednesday, 19 February 2020 (being the date of despatch of this Offer Document) until 4:00 p.m. on the Closing Date.
2. In accordance with the Takeovers Code, Kingsley is required to post the Response Document to the Shareholders within 14 days from the posting of this Offer Document, unless the Executive consents to a later date and the Offeror agrees to extend the Closing Date by the number of days in respect of which the delay in the posting of the Response Document is agreed.
3. In accordance with the Takeovers Code, where the Response Document is posted after the date on which the Offer Document is posted, the Offer must remain open for acceptance for at least 28 days following the date on which this Offer Document is posted. The Offeror reserves its right, as permitted under the Takeovers Code, to revise or extend the Offer until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). If the Offeror decides to extend the Offer, an announcement will be made specifying the next closing date or stating that the Offer will remain open until further notice, in which case at least 14 days' notice in writing will be given to the Independent Kingsley Shareholders who have not yet accepted the Offer before the Closing Date.
4. In order to accept the Offer, Independent Kingsley Shareholders are required to submit the duly completed Acceptance Form to the Registrar on or before 4:00 p.m. on Wednesday, 18 March 2020, being the Closing Date, unless the Offeror revise or extend the Offer in accordance with the Takeovers Code. Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than 14 days thereafter. Beneficial owners of Kingsley Shares who hold their Kingsley Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.
5. The announcement of the results of the Offer will be issued by the Offeror and posted on the Stock Exchange's website by 7:00 p.m. on the Closing Date. Such announcement will comply with the disclosure requirements under Rule 19.1 of the Takeovers Code and will include, among other things, the results of the Offer.
6. Subject to the Offer becoming unconditional in all respects, remittances in respect of the consideration payable for the Offer Shares tendered under the Offer (after, if applicable, deducting the seller's ad valorem stamp duty arising therefrom and, if applicable, the fees payable to the Registrar in respect of lost or unavailable Kingsley Shares certificates) will be posted by ordinary post to the relevant Independent Kingsley Shareholders at their own risk as soon as possible, but in any event within seven Business Days following the later of (i) the date on which the Offer becomes or is declared unconditional in all respects; and (ii) the date of receipt of a duly completed Acceptance Form and the relevant documents of title of Kingsley Shares in respect of such acceptance by the Registrar in respect of the Offer.
7. In accordance with the Takeovers Code, except with the consent of the Executive, the Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the day this Offer Document was posted. Accordingly, unless the Offer has previously become or are declared unconditional as to acceptances, the Offer will lapse after 7:00 p.m. on Friday, 17 April 2020, unless extended with the consent of the Executive. The "60th day" mentioned above may be extended by the Executive under Note 2 to Rule 15.5 of the Takeovers Code for the purposes of any auction procedure established by the Executive in the context of a competitive offer in accordance with Rule 16.5 of the Takeovers Code.

## EXPECTED TIMETABLE

8. If there is a tropical cyclone warning signal number 8 or above, or a black rainstorm warning:
- (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer and the posting of remittances will remain at 4:00 p.m. on the same Business Day;
  - (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer and the posting of remittances will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

## **IMPORTANT NOTICE**

### **NOTICE TO THE OVERSEAS KINGSLEY SHAREHOLDERS**

The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws and regulations of the relevant jurisdictions. Overseas Kingsley Shareholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements and, where necessary, seek independent legal advice. It is the responsibility of any such person who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including obtaining any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities or legal requirements, and the payment of any transfer or other taxes or other required payments due in respect of such jurisdiction. Acceptance by any Kingsley Shareholders will be deemed to constitute a representation and warranty from such Kingsley Shareholders to the Offeror that the local laws and requirements have been complied with. The relevant Kingsley Shareholders should consult their professional advisers if in doubt. Please refer to the paragraph headed “Overseas Kingsley Shareholders” in the section headed “Letter from Ballas Capital” contained in this Offer Document and the paragraph headed “Overseas Kingsley Shareholders” in “Appendix I — Further terms and procedures for acceptance of the Offer” to this Offer Document.

### **NOTICE TO U.S. SHAREHOLDERS**

The Offer is being made for the securities of a company incorporated in the Cayman Islands and registered in Hong Kong as a non-Hong Kong company whose shares are listed on the GEM of the Stock Exchange, and is therefore subject to Hong Kong disclosure requirements which are different from those of the United States. This Offer Document will not be filed under any laws or rules of any jurisdiction other than Hong Kong, which are different from those of the United States. The Offer is being made in the United States in reliance on the exemption from certain requirements of Regulation 14E of the United States Securities Exchange Act of 1934 provided by Rule 14d-1(c) thereunder and otherwise in accordance with the requirements of the SFO.

Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, which may be different from those applicable under United States domestic tender offer procedures and laws. The receipt of cash pursuant to the Offer by a United States holder of Kingsley Shares may be a taxable transaction for United States federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each United States holder of Kingsley Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of acceptance of the Offer.

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Offer Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The Offeror assumes no obligation and does not intend to update these forward-looking statements, except as required pursuant to applicable laws.

## DEFINITIONS

*In this Offer Document, unless otherwise defined or the context otherwise requires, the following expressions shall have the following meanings.*

“Acceptance Form”	the accompanying form of acceptance and transfer of the Offer Shares in respect of the Offer
“Acceptance Shares”	the Kingsley Shares assented to the Offer pursuant to the valid acceptances for Kingsley Shares (which are not, if permitted, withdrawn) received under the Offer
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Ballas Capital”	Ballas Capital Limited, being a licensed corporation licensed to carry out Type 1 (Dealing in Securities) and Type 6 (Advising on Corporate Finance) regulated activities as defined under the SFO, the financial adviser to the Offeror and Maple Leaf in relation to the Offer
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement Systems established and operated by HKSCC
“Closing Date”	the First Closing Date, or any subsequent offer closing date as may be extended or revised in accordance with the Takeovers Code
“Companies Law”	the Companies Law (2018 Revision) of the Cayman Islands, Cap. 22 (Law 3 of 1961), as amended or supplemented or otherwise modified from time to time
“Concert Party(ies)”	with respect to a party, party(ies) acting in concert with it
“Covenanting Kingsley Shareholders”	Star Shine, DGMK Investment and Eduking Investment
“Despatch Date”	the date of dispatch of this Offer Document as required by the Takeovers Code
“DGMK Investment”	DGMK Investment Limited, a company incorporated in the British Virgin Islands with limited liability and is directly wholly-owned by Dato’ Danny Goh, an executive Kingsley Director

## DEFINITIONS

“Disinterested Kingsley Shares”	Kingsley Shares other than those held by the Offeror or its Concert Parties. For avoidance of doubt, the Covenanting Kingsley Shareholders’ shareholding interest are not held by the Offeror or its Concert Parties, and considered as “disinterested shares” for the purpose of the Takeovers Code and therefore are considered as “Disinterested Kingsley Shares”
“Eduking Investment”	Eduking Investment Limited, a company incorporated in the BVI with limited liability on 26 July 2016 and is directly wholly-owned by Dato’ Law Boon Hee
“encumbrance”	any claim, charge, mortgage, security, lien, pledge, option, equity, power of sale, hypothecation or other third party rights, retention of title, right of pre-emption, right of first refusal or security interest of any kind
“Escrow Agent”	being the escrow agent appointed pursuant to the Escrow Agreement, an independent third party
“Escrow Agreement”	the escrow agreement dated 13 February 2020 and entered into by Maple Leaf, the Covenanting Kingsley Shareholders and the Escrow Agent in relation to the release of Offer Payment
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Final Closing Date”	the date which is the 14th day after (i) the date on which the Offer is declared unconditional as to acceptances or (ii) the First Closing Date, whichever is the later, provided that the Offer will be open for acceptance for at least 28 days following the Despatch Date
“First Closing Date”	the date stated in this Offer Document as the first closing date of the Offer or such later date as may be extended by the Offeror in accordance with the Takeovers Code
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing on GEM
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China



## DEFINITIONS

“Independent Board Committee”	the committee of all the independent non-executive Kingsley Directors (none of whom have any direct or indirect interest in the Offer) which has been established for advising the Independent Kingsley Shareholders as to whether the Offer is fair and reasonable and as to acceptance
“Independent Kingsley Shareholders”	Kingsley Shareholders other than the Offeror and the Offeror Concert Parties
“Interim Period”	the period between the date of the Offer and up to the First Closing Date (both dates inclusive)
“Irrevocable Undertaking(s)”	the irrevocable undertaking dated 24 January 2020 and executed by Star Shine, DGMK Investment, Eduking Investment in favour of the Offeror (the particulars of which are disclosed in the paragraphs headed “Commitment by the Covenanted Kingsley Shareholders to accept the Offer under the Irrevocable Undertakings” in the section headed “Letter from Ballas Capital” contained in this Offer Document)
“Joint Announcement”	the joint announcement dated 29 January 2020 and issued by the Offeror, Maple Leaf and Kingsley in respect of, among others, the Offer
“Kingsley”	Kingsley Edugroup Limited, a company incorporated in the Cayman Islands with limited liability on 12 January 2017, the Kingsley Shares of which are listed on GEM with the stock code of 8105
“Kingsley Board”	the board of Kingsley Directors
“Kingsley Director(s)”	the director(s) of Kingsley
“Kingsley Group”	collectively, Kingsley and its subsidiaries
“Kingsley Hills”	Kingsley Hills Sdn. Bhd. (formerly known as One Beverly Hills Sdn. Bhd.), a company incorporated under the laws of Malaysia with limited liability on 17 January 2008 and is directly wholly-owned by B&G Capital Resources Berhad, a company incorporated under the laws of Malaysia which is owned as to 22.6% by Tan Sri Barry Goh and 77.4% by Syapuma Sdn Bhd, a company incorporated under the laws of Malaysia which is wholly owned by Tan Sri Barry Goh

## DEFINITIONS

“Kingsley International”	Kingsley International Sdn. Bhd., a company incorporated under the laws of Malaysia with limited liability, which is an indirect wholly-owned subsidiary of Kingsley
“Kingsley Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of Kingsley
“Kingsley Shareholder(s)”	holder(s) of the Kingsley Shares
“KIS Annex Land”	a parcel of land held under H.S. (D) 279714, PT36308 measuring approximately two acres in the Mukim of Damansara, District of Petaling, State of Selangor, Malaysia
“Last Trading Date”	24 January 2020, being the last trading day for the Kingsley Shares immediately before the publication of the Joint Announcement
“Latest Practicable Date”	14 February 2020, being the latest practicable date prior to the despatch of this Offer Document for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“Maple Leaf”	China Maple Leaf Educational Systems Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange with stock code of 1317
“Maple Leaf Directors”	the directors of Maple Leaf
“Maple Leaf Group”	Maple Leaf and its subsidiaries
“Mr. Jen”	Mr. Jen Shu Liang Sherman
“Offer”	the voluntary conditional general cash offer made by Ballas Capital on behalf of the Offeror to acquire all the Offer Shares
“Offer Conditions”	the conditions of the Offer as set out in the paragraph headed “Conditions of the Offer” in the section headed “Letter from Ballas Capital” in this Offer Document
“Offer Document”	this document issued by the Offeror to all Kingsley Shareholders in connection with the Offer in accordance with the Takeovers Code

## DEFINITIONS

“Offer Payment”	the full payment due to the Covenanted Kingsley Shareholders
“Offer Period”	the period commencing on the date of publication of the Joint Announcement up to and including the Closing Date
“Offer Price”	the offer price for the Offer Shares, being HK\$0.54 per Offer Share
“Offer Share(s)”	all the Kingsley Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it)
“Offeror”	Maple Leaf Education Asia Pacific Limited, a company incorporated in Hong Kong with limited liability, and is a wholly-owned subsidiary of Maple Leaf
“Offeror Concert Parties”	the parties acting in concert with the Offeror
“Outgoing Directors”	all the existing directors of Kingsley namely, Tan Sri Dato’ Sri Goh Ming Choon, Dato’ Danny Goh Meng Keong, Dr. Chua Ping Yong, Prof. Emeritus Tan Sri Dato’ Dr. Mohamed Salleh Bin Mohamed Yasin, Tan Sri Dato’ Hj Abd Karim Bin Shaikh Munisar and Prof. Dr. Rozainun Binti Abdul Aziz
“Overseas Kingsley Shareholders”	Kingsley Shareholders whose addresses, as shown on the register of members of Kingsley, are outside Hong Kong
“PRC”	the People’s Republic of China
“Registrar”	Tricor Investor Services Limited, being the Hong Kong branch share registrar and transfer office of Kingsley, whose address is located at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Relevant Kingsley Entities”	the subsidiaries to be deregistered by Kingsley after completion of the Offer (details of which are disclosed in the paragraph headed “Intentions of the Offeror” in the section headed “Letter from Ballas Capital” contained in this Offer Document
“Relevant Period”	the period commencing on the date falling six months preceding 29 January 2020, being the date of commencement of the Offer Period, up to and including the Latest Practicable Date

## DEFINITIONS

“Remaining Shares”	the Offer Shares not acquired by the Offeror (by virtue of the acceptances of the Offer or otherwise) within the period of four months after posting the initial Offer Document
“Response Document”	the response document in respect of the Offer to be issued by Kingsley to all the Kingsley Shareholders in accordance with the Takeovers Code
“School”	Kingsley International School
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Star Shine”	Star Shine Finance Limited, a company incorporated in the BVI with limited liability and is directly wholly-owned by Tan Sri Barry Goh, an executive Kingsley Director
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RM”	Malaysian ringgit, the lawful currency of Malaysia
“%”	per cent

*\* In the event of inconsistency, the English text of this Offer Document shall prevail over the Chinese text.*

*For the purpose of this Offer Document, an exchange rate of RM1 = HK\$1.9 is adopted for illustration purpose.*

**LETTER FROM BALLAS CAPITAL**



Unit 1802, 18/F  
1 Duddell Street, Central  
Hong Kong

19 February 2020

*To the Independent Kingsley Shareholders,*

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL GENERAL CASH  
OFFER BY BALLAS CAPITAL LIMITED  
ON BEHALF OF MAPLE LEAF EDUCATION ASIA PACIFIC LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES IN THE SHARE CAPITAL OF  
KINGSLEY EDUGROUP LIMITED (OTHER THAN THOSE ALREADY OWNED  
OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN  
CONCERT WITH IT)**

**INTRODUCTION**

On 29 January 2020, the Offeror, Maple Leaf and Kingsley issued the Joint Announcement in relation to the Offer at the Offer Price of HK\$0.54 per Kingsley Share.

This letter sets out, amongst other things, details of the terms of the Offer, information on the Offeror and intention of the Offeror. Further terms and procedures of acceptance of the Offer are set out in Appendix I to this Offer Document and in the accompanying Acceptance Form.

Pursuant to the Takeovers Code, Kingsley is required to despatch the Response Document within 14 days after the posting of this Offer Document. Independent Kingsley Shareholders are advised to read this Offer Document and the Response Document before taking any action in respect of the Offer.

**THE OFFER**

On 24 January 2020, the Offeror had informed the Kingsley Board that, Ballas Capital, on behalf of the Offeror, is making a voluntary conditional general cash offer to acquire all the Kingsley Shares (other than those already owned or agreed to be acquired by the Offeror and the Offeror Concert Parties) at a price of HK\$0.54 per Kingsley Shares. As at the Latest Practicable Date, the Offeror and the Offeror Concert Parties were not interested directly or indirectly in the issued share capital of Kingsley. The Offer is being made on the following basis:

For each Offer Share ..... HK\$0.54 in cash

## LETTER FROM BALLAS CAPITAL

As at the Latest Practicable Date, Kingsley has no outstanding securities, options, derivatives or warrants which are convertible or exchangeable into Kingsley Shares and has not entered into any agreement for the issue of such securities, options, derivatives or warrants of Kingsley.

### THE OFFER PRICE

The Offer Price of HK\$0.54 represents:

- (i) a premium of 12.5% over the closing price of HK\$0.48 per Kingsley Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a premium of approximately 8.43% over the average closing price of approximately HK\$0.498 per Kingsley Share for the 5 trading days up to and including the Last Trading Date;
- (iii) a premium of approximately 7.57% over the average closing price of approximately HK\$0.502 per Kingsley Share for the 10 trading days up to and including the Last Trading Date;
- (iv) a premium of approximately 4.25% over the average closing price of approximately HK\$0.518 per Kingsley Share for the 30 trading days up to and including the Last Trading Date;
- (v) a premium of approximately 198.34% to the audited consolidated net asset value per Kingsley Share of approximately RM0.095 (equivalent to approximately HK\$0.181) as at 30 June 2019;
- (vi) a premium of approximately 219.53% to the unaudited consolidated net asset value per Kingsley Share of approximately RM0.089 (equivalent to approximately HK\$0.169) as at 31 December 2019; and
- (vii) a premium of approximately 8.00% over the closing price of HK\$0.5 per Kingsley Share as quoted on the Stock Exchange on the Latest Practicable Date.

### CONDITIONS OF THE OFFER

The Offer shall be conditional upon the satisfaction of the following Offer Conditions on or before the Closing Date unless otherwise waived by the Offeror:

1. All the documents, licenses, permits, accounts (both audited and unaudited), representations and statements provided by Kingsley in relation to Kingsley, its subsidiaries and the School are legal, true, accurate, complete and not misleading as at the Closing Date;
2. All the approvals, consents and permits in relation to the change in the shareholding in the Kingsley Group (including but not limited to the change in shareholding in the Kingsley Group held by Tan Sri Barry Goh) and a change in the management of Kingsley International resulting from the Offer shall be obtained from all relevant

## LETTER FROM BALLAS CAPITAL

banks and/or financial institutions providing banking facilities to the Kingsley Group, including but not limited to OCBC Al-Amin Bank Berhad (OCBC RCF-I facility) and CIMB Islamic Bank Berhad (CIMB TF-I facility), by the Kingsley Group on or before the Closing Date;

3. Valid acceptance of the Offer having been received (and not, where permitted, withdrawn) in respect of such number of Shares which would result in the Offeror holding at least 90% of the Offer Shares and not less than 90% of the Disinterested Kingsley Shares (being issued Kingsley Shares other than those being held by the Offeror or the Offeror Concert Parties).
4. The Kingsley Shares remaining, during the Interim Period, listed and trading on the Stock Exchange and there being, up to the Closing Date, no indication from the Stock Exchange or the SFC that the listing and/or trading of the Kingsley Shares on the Stock Exchange will be revoked or objected for reason other than any suspension of trading in the Kingsley Shares due to insufficient public float in the Kingsley Shares immediately after the Closing Date, or any suspension of trading in the Kingsley Shares pending clearance of the transactions contemplated under the Offer by the SFC and/or the Stock Exchange);
5. From the date of making the Offer, (i) there shall have occurred no material adverse effect with respect to the financial conditions or operating performance of the Kingsley Group as a whole and (ii) there shall have occurred no material adverse change in the applicable laws of all jurisdictions in which the Kingsley Group operates which may have a material adverse effect on the Kingsley Group as a whole;
6. As of the Closing Date, Kingsley nor other members of the Kingsley Group shall have breached or failed to comply (and there shall have occurred no event which causes Kingsley or other members of the Kingsley Group to not perform) any deeds, agreements, leases, mortgages, trust deeds, covenants or loan agreements to which Kingsley or other members of the Kingsley Group is a party or which has binding effect on the respective assets of Kingsley or other members of the Kingsley Group and the breach of which may have material adverse effect with respect to the financial conditions or operating performance of the Kingsley Group as a whole;
7. No event having occurred which would make any of the Offer or the acquisition of any of the Offer Shares void, unenforceable or illegal or prohibit implementation of any of the Offer or would impose any additional material conditions or obligations with respect to any of the Offer or any part thereof; and
8. No relevant government, governmental, quasi-government, statutory or regulatory body or court in Hong Kong or any other jurisdictions having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make any of the Offer, the irrevocable undertaking letter or its implementation

## LETTER FROM BALLAS CAPITAL

in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to any of the Offer or its implementation in accordance with its terms).

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke the above Offer Conditions as basis for not proceeding with the Offer only if the circumstances which give rise to a right to invoke such conditions are of material significance to the Offeror in the context of the Offer. The Offeror will not waive condition numbered (3) above in respect of the acceptance level of the Offer. All other Offer Conditions can be waived by the Offeror. If any of the above conditions cannot be fulfilled or waived by the Closing Date, the Offer will lapse.

As of the Latest Practicable Date, none of the Offer Conditions has been satisfied.

If the Acceptance Shares represent in aggregate not less than 90% of the Offer Shares and not less than 90% of the Disinterested Kingsley Shares (being issued Kingsley Shares other than those being held by the Offeror or the Offeror Concert Parties), the Offeror will exercise the compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and the Companies Law to privatise Kingsley as further described in the section headed “Compulsory Acquisition Rights and Withdrawal from Listing” below.

Upon the Offer Conditions being fulfilled, the Offer will become or be declared unconditional in all respects in accordance with the Takeovers Code. Any valid acceptances already lodged (and not withdrawn) will be processed and the relevant Kingsley Shares assented to the Offer shall be transferred from the accepting Independent Kingsley Shareholders to the Offeror accordingly. The aggregate shareholdings of the Offeror Concert Parties will be increased to that extent. The Offer, if so become or declared unconditional, will also remain open for acceptance for at least 14 days thereafter in accordance with the Takeovers Code. If the Offer Conditions are not fulfilled, the Offer will lapse in accordance with the Takeovers Code. Further announcement will be issued by the Offeror and Kingsley in accordance with the Takeovers Code.

### **EFFECT OF ACCEPTING THE OFFER**

Subject to the Offer becoming unconditional, provided that valid acceptance forms and the relevant certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order and have been received by the Registrar, the Shareholders will sell their tendered Shares to the Offeror free from all encumbrances and together with all rights attaching to them, including, without limitation, the rights to receive in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a record date on or after the date on which the Offer is made, that is, the date of despatch of this Offer Document.

Acceptances of the Offers will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.



## LETTER FROM BALLAS CAPITAL

### COMPULSORY ACQUISITION RIGHTS AND WITHDRAWAL FROM LISTING

If the Offeror acquires not less than 90% of the Offer Shares (by virtue of the acceptances of the Offer or otherwise) and not less than 90% of the Disinterested Kingsley Shares (being issued Kingsley Shares other than those being held by the Offeror or the Offeror Concert Parties) within, but not exceeding, the period of 4 months after posting the initial Offer Document, the Offeror intends to privatise Kingsley by exercising the compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and the Companies Law to acquire the Remaining Shares, and following which the listing of Kingsley on GEM shall be withdrawn pursuant to Rule 9.23 of the GEM Listing Rules. Kingsley will comply with the relevant requirements in the GEM Listing Rules in this regard.

According to the Listing Rules, if, at the close of the Offer, less than 25% of the issued Kingsley Shares are held by the public, or if the Stock Exchange believes that a false market exists or may exist in the trading of the Kingsley Shares; or that there are insufficient Kingsley Shares in public hands to maintain an orderly market, the Stock Exchange will consider exercising its discretion to suspend dealings in the Kingsley Shares.

**If the level of acceptances of the Offer reaches the prescribed level under the Cayman Islands Companies Law (i.e. not less than 90% of the Offer Shares and the Disinterested Kingsley Shares) required for compulsory acquisition and the requirements of Rule 2.11 of the Takeovers Code are satisfied on the Closing Date, dealings in the Kingsley Shares will be suspended from the Closing Date (or such later time or date as the Offeror may, subject to the rules of the Takeovers Code, decide) up to the withdrawal of listing of the Kingsley Shares from the Stock Exchange.**

Whilst it is the intention of the Offeror to privatise the Offeree, the Offeror's ability to exercise rights of compulsory acquisition in respect of the Offer Shares is dependent on the level of acceptance of the Offer reaching the prescribed level under the Cayman Islands Companies Law and on the requirements of Rule 2.11 of the Takeovers Code being satisfied. If the Offer Shares validly tendered for acceptance under the Offer are less than 90% of the Offer Shares or less than 90% of the Disinterested Kingsley Shares (being issued Kingsley Shares other than those being held by the Offeror or the Offeror Concert Parties), the Offer will not become unconditional and will lapse and in such event, Kingsley Shares will remain listed on GEM.

### HIGHEST AND LOWEST KINGSLEY SHARE PRICES

During the six-month period preceding the Last Trading Date, the highest and lowest closing price of the Kingsley Shares as quoted on the Stock Exchange was HK\$0.72 per Kingsley Share on 25 and 26 July and 2 and 5 August 2019 and HK\$0.395 per Kingsley Share on 30 September 2019, respectively.

## LETTER FROM BALLAS CAPITAL

### VALUE OF THE OFFER

On the basis of the Offer Price and 800,000,000 Kingsley Shares in issue as at the Latest Practicable Date, the entire issued share capital of Kingsley is valued under the Offer at HK\$432 million. Accordingly, the total consideration payable by the Offeror will be HK\$432 million.

### CONFIRMATION OF FINANCIAL RESOURCES

The Offeror will satisfy the cash consideration payable under the Offer from the internal resources of the Offeror Concert Parties. Ballas Capital, the financial adviser of the Offeror, is satisfied that sufficient financial resources are available to the Offeror for the full implementation of the Offer.

### PAYMENT AND KINGSLEY SHARE CERTIFICATES

Payment in cash in respect of the acceptances of the Offer will be made as soon as possible but in any event within 7 Business Days of the later of the date the Offer becomes or is declared unconditional and the date of receipt of a duly completed acceptance pursuant to Rule 20.1(a) of the Takeovers Code.

If the Offer lapses, the Offeror will, as soon as possible but in any event within 10 days thereof, post the Kingsley Share certificates lodged with the Acceptance Form and transfer of Kingsley Shares to, or make such Kingsley Share certificates available for collection by, those Independent Kingsley Shareholders who accepted the Offer.

### HONG KONG STAMP DUTY

Seller's ad valorem stamp duty arising in connection with acceptance of the Offer will be payable by the relevant Kingsley Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, and will be deducted from the cash amount payable by the Offeror to the relevant Kingsley Shareholders accepting the Offer (where the amount of stamp duty is a fraction of a dollar, the stamp duty will be rounded up to the nearest dollar).

### INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the Hong Kong with limited liability in 2009. The Offeror is an investment holding company and its major assets include an indirectly held school campus in Singapore acquired in September 2016. The sole beneficial owner and the ultimate holding company of the Offeror is Maple Leaf.

Maple Leaf is listed on the Main Board of the Stock Exchange from 28 November 2014, and is a leading international school operator, from preschool to grade 12 (“**K-12**”) education, in the PRC as measured by student enrolment. Founded in 1995, Maple Leaf's headquarters is located at Dalian, Liaoning Province, China. With over twenty four years' of experience in operating international schools in China, Maple Leaf provides high quality K-12 education by

## LETTER FROM BALLAS CAPITAL

combining the merits of both Western and Chinese educational philosophies in 23 cities in China, British Columbia, Canada and Australia, namely Dalian, Wuhan, Tianjin, Chongqing, Zhenjiang, Luoyang, Ordos, Shanghai, Pingdingshan, Yiwu, Jingzhou, Pinghu, Xi'an, Huai'an, Yancheng, Huzhou, Weifang, Haikou, Shenzhen, Xiangyang, Kamloops, Richmond and Adelaide.

Mr. Jen is the controlling shareholder of Maple Leaf and is interested in approximately 51.31% of the issued share capital of Maple Leaf as at the Latest Practicable Date. Mr. Jen is also the sole director of the Offeror.

Mr. Jen has more than 24 years of experience in the education industry. In 2004, he was selected as one of the most influential figures in the private education industry in China by sohu.com. In 2005, he received the Outstanding Chinese Entrepreneur Award from the Overseas Chinese Affairs Office of the State Council of the PRC. In 2011, he was honored as one of the "Top Ten Figures of our Time" by a group of media organizations and industry associations. In 2013, he received the Governor General's Medallion from Mr. David Johnston, Governor General of Canada, for his contributions to international education. In October 2014, he received the Chinese Government Friendship Award from the PRC Premier Mr. Li Keqiang and two Vice Premiers, which is the highest honor awarded by the Chinese government to foreign experts for their outstanding contributions to the modernized development of the PRC. In 2019, he was recognised as one of the "Top 10 Most Influential Education leaders in China" by Knowledge Review, a United Kingdom leading education magazine, and was honorably featured on the cover of the August 2019 edition. Mr. Jen has not held any directorship roles in any other listed companies in the last three years. Mr. Jen is a resident of Hong Kong. Mr. Jen is not a resident of Canada for Canadian taxation purposes.

Mr. Jen received his Bachelor of Arts degree in English Language and Arts from Beijing Foreign Languages University, PRC in May 1978, his Master of Business Administration by distance learning from the University of Wales, New Port, United Kingdom in September 2005 and an Honorary Doctor of Laws degree (Hon. LL.D) from Royal Roads University in BC, Canada in June 2013.

### INTENTIONS OF THE OFFEROR

If the Offeror acquires not less than 90% of the Offer Shares (by virtue of the acceptances of the Offer or otherwise) and not less than 90% of the Disinterested Kingsley Shares (being issued Kingsley Shares other than those being held by the Offeror or the Offeror Concert Parties) within, but not exceeding, the period of 4 months after posting the initial Offer Document, the Offeror intends to privatise Kingsley by exercising the compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and the Companies Law to acquire the Remaining Shares, and following which the listing of Kingsley on GEM shall be withdrawn pursuant to Rule 9.23 of the GEM Listing Rules. On completion of the compulsory acquisition process, Kingsley will be beneficially owned as to 100% by the Offeror and an application will be made for the withdrawal of the listing of the Kingsley Shares from the Stock Exchange pursuant to Rule 9.23(1) of the GEM Listing Rules. Kingsley will comply with the relevant requirements in the GEM Listing Rules in this regard.

## LETTER FROM BALLAS CAPITAL

Kingsley Board currently consists of six Kingsley Directors, comprising three executive Kingsley Directors and three independent non-executive Kingsley Directors. It is the Offeror's intention that the Outgoing Directors, being all of the existing directors of Kingsley, shall cease to be directors of Kingsley with effect from the earliest date permitted under Rule 7 and other provisions of the Takeovers Code (which is the First Closing Date, or the date when the Offer becomes or is declared unconditional, whichever is the later).

It is the intention of the Offeror to cease the tertiary education segment and focus on the international school segment business of the Kingsley Group. Accordingly, the Offeror intends to deregister the following member entities of Kingsley Group (collectively, the "**Relevant Kingsley Entities**") after completion of the Offer:

- Kingsley Graduate School Malaysia Sdn Bhd;
- Kingsley Professional Centre Sdn Bhd;
- Kingsley Skills Sdn Bhd;
- Kingsley Advisory And Strategic Initiatives Sdn Bhd;
- Kingsley Language House Sdn Bhd; and
- Kingsley Catering Sdn Bhd

Except for the Outgoing Directors and the deregistration of the Relevant Kingsley Entities as set out above, the Offeror does not have any intention to introduce any significant changes to the existing operations and management of the Kingsley Group, nor does it have any intention to make any significant changes to the continued employment of the Kingsley Group's employees.

### **ACQUISITION OF KIS ANNEX LAND AND COVENANTING KINGSLEY SHAREHOLDERS ESCROW ARRANGEMENT**

As at the Latest Practicable Date, Kingsley Hills is the registered owner of the KIS Annex Land, upon which the Offeree operates its School. Kingsley Hills is indirectly wholly owned by Tan Sri Barry Goh (chairman and controlling shareholder of Offeree). Tan Sri Barry Goh wholly owned Star Shine which in turn held 62% issued shares of the Offeree. Star Shine is one of the Covenanting Kingsley Shareholders which has executed the Irrevocable Undertakings to accept the Offer.

As disclosed on page 209 of Kingsley's prospectus dated 30 April 2018, Kingsley Hills entered into a sale and purchase agreement dated 18 April 2018 with Kingsley International (Kingsley's indirectly wholly-owned subsidiary), pursuant to which Kingsley Hills agreed to transfer the KIS Annex Land to Kingsley International at a nominal consideration of RM10 on 31 December 2018 or any other date as agreed between the parties. Kingsley has been using the KIS Annex Land free of charge pending the completion of formal transfer of land title from Kingsley Hills to Kingsley International. The School's annex building is situated on the

## LETTER FROM BALLAS CAPITAL

KIS Annex Land. As agreed between Kingsley Group and Kingsley Hills, the title transfer of KIS Annex Land would be completed within three months after the Offer becomes unconditional, for the following reasons:

- (1) Kingsley has been using the KIS Annex Land free of charge pending the completion of formal transfer of land title thereof, hence Kingsley would not need to pay extra rental or consideration above the nominal consideration of RM10, and accordingly the timing of acquisition of KIS Annex Land would not affect Kingsley's usage of or consideration payable for the KIS Annex Land;
- (2) KIS Annex Land is currently subject to a charge (the "**KIS Annex Land Charge**") in favour of Affin Islamic Bank Berhad (a licensed commercial bank in Malaysia) which could be fully discharged through payment of approximately RM37 million (i.e. approximately HK\$70 million) if the repayment can be made by end of February 2020. The first tranche (i.e. 50% of Offer Payment payable by Offeror to Covenanted Kingsley Shareholders) would be more than sufficient to discharge the KIS Annex Land Charge. The Covenanted Kingsley Shareholders intend to utilize part of the first tranche of the Offer Payment to fully discharge the KIS Annex Land Charge soonest after receipt of the Offer Payment payable by the Offeror to the Covenanted Kingsley Shareholders when the Offer becomes unconditional; and
- (3) the KIS Annex Land Charge was created in December 2017 before the sale and purchase agreement was signed in April 2018. The title transfer of KIS Annex Land would not be completed without the discharge of the KIS Annex Land Charge, and therefore the title transfer has not been completed as at the Latest Practicable Date.

As at the Latest Practicable Date, Kingsley Hills as the registered owner of the KIS Annex Land, has undertaken to the Offeror that it will procure to complete the transfer of land title to Kingsley International at nominal consideration of RM10 within three months after the Offer becomes unconditional.

**For avoidance of doubt, the transfer of land title of KIS Annex Land will lead to a milestone payment to the Covenanted Kingsley Shareholders, but is not Offer Condition, and would not impose impact on the Independent Kingsley Shareholders.**

Pursuant to the Irrevocable Undertakings, the Covenanted Kingsley Shareholders undertake to accept the Offer by submission of the Acceptance Form in the same way as other Kingsley Shareholders. In accordance with Rule 20 of the Takeovers Code, after the Offer becomes unconditional, the full payment due to the Covenanted Kingsley Shareholders for their respective acceptance of the Offer shall be settled at the same time as other Kingsley Shareholders for their acceptance of the Offer.

Based on arm's length negotiation, the Offeror and the Covenanted Kingsley Shareholders have agreed on the following escrow arrangement ("**Covenanted Kingsley Shareholders Escrow Arrangement**") with respect to the date of release of the Offer Payment to the Covenanted Kingsley Shareholders.

<b>LETTER FROM BALLAS CAPITAL</b>
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<b>Percentage of Offer Payment to be released to the Covenanting Kingsley Shareholders</b>	<b>Milestone/Payment timeline</b>	<b>Expected date of release of payment under the Covenanting Kingsley Shareholders Escrow Arrangement (for illustration purpose only)</b>
50%	Upon the same time as other Kingsley Shareholders who have accepted the Offer prior to the First Closing Date	Within 7 Business Days of the later of the date the Offer becomes or is declared unconditional and the date of receipt of a duly completed acceptance
20%	All the Outgoing Directors ceasing their directorship position with Kingsley	After the First Closing Date or when the Offer becomes or is declared unconditional (whichever is later)
30%	Completion of transfer of land title of the KIS Annex Land from Kingsley Hills (the Covenanting Kingsley Shareholder's affiliate) to Kingsley's wholly-owned subsidiary at a nominal consideration of RM10	Within three months after the Offer becomes or is declared unconditional (whichever is later)

The Covenanting Kingsley Shareholders shall be entitled to any interest accrued in the escrow account for the deferred release of the Offer Payment.

**For avoidance of doubt, the milestone payment schedule above only applies to the Covenanting Kingsley Shareholders. All the other Kingsley Shareholders are entitled to full settlement of the Offer Price pursuant to Rule 20.1(a) of the Takeovers Code (i.e. as soon as possible but in any event within seven Business Days following the later of the date on which the Offer becomes, or is declared, unconditional and the date of receipt of a duly completed acceptance).**

## LETTER FROM BALLAS CAPITAL

### OTHER INFORMATION

The Offeror and the Offeror Concert Parties had not dealt in the Kingsley Shares, convertible securities, warrants, options or derivatives of Kingsley during the six-month period immediately preceding the Latest Practicable Date.

The Offeror confirms that, as at the Latest Practicable Date, save for the Irrevocable Undertakings:

- (a) the Offeror and the Offeror Concert Parties do not own, control or have direction over any voting rights in any Kingsley Shares nor own, control or have direction over any other rights or interests in the issued share capital or voting rights of Kingsley;
- (b) the Offeror and the Offeror Concert Parties do not hold any Kingsley Shares, warrants, options, derivatives or other securities that are convertible or exchangeable into Kingsley Shares or other types of equity interest in Kingsley;
- (c) there is no outstanding derivative in respect of the securities in Kingsley which has been entered into by the Offeror or the Offeror Concert Parties;
- (d) other than the Offer, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or Kingsley and which might be material to the Offer;
- (e) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in Kingsley which the Offeror or the Offeror Concert Parties has/have borrowed or lent;
- (f) none of the Offeror nor any of the Offeror Concert Parties has received any other irrevocable commitment to accept or reject the Offer;
- (g) there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (h) no benefit (other than statutory compensation) had been or would be given to any Kingsley Director as compensation for loss of office or otherwise in connection with the Offer;
- (i) there was no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror and the Offeror Concert Parties and any Kingsley Directors, recent Kingsley Directors, Kingsley Shareholders or recent Kingsley Shareholders having any connection with or dependent upon the Offer;

## LETTER FROM BALLAS CAPITAL

- (j) apart from the consideration to be paid under the Offer, each of the Covenancing Kingsley Shareholders or their respective Concert Parties has not and will not receive any other consideration, compensation or benefits in whatever form paid or to be paid by the Offeror or any parties acting in concert with it to the Covenancing Kingsley Shareholders or their Concert Parties in connection with the Offer;
- (k) apart from the Irrevocable Undertakings, there is no other understanding, arrangement, agreement or special deal (under Rule 25 of the Takeovers Code) between the Offeror or Offeror Concert Parties on the one hand, and the Covenancing Kingsley Shareholders and its Concert Parties on the other hand; and
- (l) there is no understanding, arrangement or agreement or special deal (under Rule 25 of the Takeovers Code) between (1) each of the Covenancing Kingsley Shareholders and any other Kingsley Shareholders (or any of their respective concert parties (within the meaning of the Takeovers Code)) on one hand and (2)(a) the Offeror and the Offeror Concert Parties on the other hand, or (b) the Offeree, its subsidiaries or associated companies.

### TAXATION ADVICE

The Independent Kingsley Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, the Offeror Concert Parties and their respective ultimate beneficial owners, directors, officers, agents or associates or advisers or any other person involved in the Offer accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

### OVERSEAS KINGSLEY SHAREHOLDERS

The Offeror intends to make the Offer available to all Kingsley Shareholders, including those with a registered address in a jurisdiction outside Hong Kong. The availability of the Offer to persons with a registered address in a jurisdiction outside Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. The Overseas Kingsley Shareholders and/or who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibilities of the Overseas Kingsley Shareholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Kingsley Shareholders in respect of such jurisdictions).



## **LETTER FROM BALLAS CAPITAL**

Any acceptance by Kingsley Shareholders and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong will be deemed to constitute a representation and warranty from such persons to the Offeror that the local laws and requirements have been complied with. Kingsley Shareholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

### **REASONS FOR, AND THE BENEFITS OF, THE OFFER MADE BY THE OFFEROR**

The Maple Leaf Group has over twenty-four years of experience in providing quality bilingual K-12 educational services in China and Canada by combining the merits of both western and Chinese educational philosophies. The Maple Leaf Group's high schools (for students from grade 10 to 12) are certified by the Ministry of Education of British Columbia, Canada and Chinese educational authorities respectively allowing its graduates to receive both a fully accredited British Columbia diploma and a Chinese diploma. Furthermore, all of Maple Leaf Group's high schools, middle schools, elementary schools and foreign national schools and Maple Leaf Educational Systems have been accredited by Cognia, the largest school accreditation agency in the world. The Maple Leaf Group targets students from middle-class families who aim to pursue higher education abroad and charge affordable and competitive tuition fees.

The Maple Leaf Directors consider that the acquisition of the Kingsley Group could strengthen the brand name of Maple Leaf by increasing the market share of schools and educational institutions run by the Maple Leaf Group. After the completion of the proposed acquisition, the Maple Leaf Group could extend the geographical coverage of its education services to Malaysia. The acquisition of the Kingsley Group could also allow the sharing of resources among the schools under both Maple Leaf Group and Kingsley Group. The acquisition is also an important milestone for Maple Leaf's Sixth Five Year Plan to further expand its educational network globally, considering that, among others, the School currently accommodates slightly more than 1,000 students while the School's capacity is 2,600 students based on a total of 104 classrooms with each classroom's capacity of 25 students and therefore, the School has more capacity for more student enrolment.

The Offer Price is determined with reference to (a) prevailing share price of the Kingsley Shares; (b) the growth potential of Kingsley; (c) the potential synergic effect and economies of scale of the enlarged group after the acquisition; and (d) the further enhancement of Maple Leaf Group's position in the global education industry.

Maple Leaf Directors consider that the terms of the Offer are fair and reasonable and in the interests of Maple Leaf and its shareholders as a whole.

## LETTER FROM BALLAS CAPITAL

### REASONS FOR, AND THE BENEFITS FROM PRIVATISATION OF KINGSLEY

The principal business of Kingsley Group is the provision of education and related services in Malaysia. In light of the increasing demand for high quality education services in the region, conglomeration and effective use of shared resources and expertise is necessary for Kingsley to bolster long-term competitiveness.

The Offeror believes that Kingsley will benefit from more flexibilities which a non-listed company would enjoy as compared with listed companies, including access to additional growth capital from the Offeror without exposure to market volatility. Following the implementation of the Offer, the Offeror and Kingsley can make timely strategic decisions focused on long-term benefits, and not be distracted or pressurised to deliver short-term performance. Administrative, compliance and other listing-related costs and expenses can also be eliminated after privatisation.

Meanwhile, the low liquidity in the trading of Kingsley Shares also resulted in the current listing platform no longer being sufficient to serve as a source of funding for the Kingsley's business and growth. After privatisation, Kingsley will be able to fund its operation and development with more flexibility through a centralised platform under the Maple Leaf Group.

### COMMITMENT BY THE COVENANTING KINGSLEY SHAREHOLDERS TO ACCEPT THE OFFERS UNDER THE IRREVOCABLE UNDERTAKINGS

The Covenanting Kingsley Shareholders, comprising Star Shine, DGMK Investment and Eduking Investment, collectively held 75% issued shares of Kingsley as at the Latest Practicable Date, and have executed the Irrevocable Undertakings to accept the Offer.

#### Principal terms of the Irrevocable Undertakings

*Date:* 24 January 2020

*Parties:* (1) Star Shine; (2) DGMK Investment; (3) Eduking Investment; and (4) the Offeror

#### Irrevocable Undertakings:

The Covenanting Kingsley Shareholders have given Irrevocable Undertakings in favour of the Offeror, pursuant to which each of the Covenanting Kingsley Shareholders has irrevocably undertaken to the Offeror as to the followings:

1. to accept, or procure the acceptance of the Offer in respect of the Kingsley Shares held by the Covenanting Kingsley Shareholders respectively, and any Kingsley Shares which it may acquire on or after the date of the Irrevocable Undertakings by 4:00 p.m. (Hong Kong time) on or before the First Closing Date, subject to the provisions under the headings of "Conditions to the Irrevocable Undertakings" below;

## LETTER FROM BALLAS CAPITAL

2. each of the Covenancing Kingsley Shareholders will not, prior to the earlier of the closing, lapsing or withdrawal of the Offer, dispose, sell, transfer or encumber in any way all the Kingsley Shares held by them, nor withdraw such acceptance of the Offer in respect of all the Kingsley Shares held by them;
3. each of the Covenancing Kingsley Shareholders will procure the proper transfer of KIS Annex Land to Kingsley Group and provide documentary evidence to the Offeror's reasonable satisfaction that the KIS Annex Land Charge has been fully discharged within three months after the Offer becomes unconditional;
4. each of the Covenancing Kingsley Shareholders will procure the resignation of the Outgoing Directors and appoint such person(s) as the Offeror may nominate as director(s) of Kingsley at the earliest time as permitted by the Takeovers Code and in particular Rule 7 of the Takeovers Code; and
5. each of the Covenancing Kingsley Shareholders will provide all necessary assistance to facilitate and complete the deregistration of the Relevant Kingsley Entities and will indemnify any costs or fees or liabilities (except for the intra-group liabilities due between the Relevant Kingsley Entities and the remaining entities of Kingsley Group) entailing from such deregistration of the Relevant Kingsley Entities after the closing of the Offer.

### **Conditions to the Irrevocable Undertakings:**

The Irrevocable Undertakings are legally binding upon the Covenancing Kingsley Shareholders upon signing but shall cease to be binding if any of the conditions below is not fulfilled:

1. the Offer Price being not less than HK\$0.54 per Kingsley Share;
2. despatch of the Offer Document on or before 19 February 2020;
3. save and except with express written waiver from the Offeror or with mutual written consent between the Offeror and the Covenancing Kingsley Shareholders, the due fulfilment of all the Offer Conditions by the First Closing Date; and
4. all the Kingsley Shares held by the Covenancing Kingsley Shareholders shall be fully paid and shall be free from all liens, charges, encumbrances, rights of pre-emption and any other third-party rights of any nature and together with all rights attaching to them as at the First Closing Date. As at the Latest Practicable Date, all the Kingsley Shares held by the Covenancing Kingsley Shareholders are free from any encumbrance.

**LETTER FROM BALLAS CAPITAL**

**ADDITIONAL INFORMATION**

Your attention is drawn to the accompanying Acceptance Form and the additional information set out in the appendixes which form part of this Offer Document.

Kingsley Shareholders are urged to read this Offer Document including the appendices, the Response Document, and the accompanying Acceptance Form carefully.

**WARNING**

**Independent Kingsley Shareholders and/or potential investors of Kingsley Shares should note that the Offer is subject to the satisfaction (or waiver, if applicable) of the Offer Conditions. Accordingly, the Offer may or may not become unconditional. Independent Kingsley Shareholders and/or potential investors of Kingsley Shares should therefore exercise caution when dealing in the securities of Kingsley. Independent Kingsley Shareholders and/or potential investors of Kingsley Shares who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.**

Yours faithfully,  
For and on behalf of  
**Ballas Capital Limited**  
**Heidi Cheng**                      **Cathy Leung**  
*Managing Director*                      *Director*

**1. PROCEDURES FOR APPROVAL AND ACCEPTANCE OF THE OFFER**

- (a) To accept any of the Offer, you should complete and sign the accompanying Acceptance Form in accordance with the instructions printed thereon, which instructions form part of the terms and conditions of the Offer.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Kingsley Shares is/are in your name, and you wish to accept the Offer, you must send the accompanying Acceptance Form duly completed together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by post or by hand, marked "**Kingsley Edugroup Limited — Offer**" on the envelope, as soon as possible and in any event reach the Registrar no later than 4:00 p.m. on 18 March 2020, being the First Closing Date, or such later time and/or date as the Offeror may determine and announcement in compliance with the requirements of the Takeovers Code.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Kingsley Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer, you must either:
- i. lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorizing it to accept the Offer on your behalf and requesting it to deliver the accompanying Acceptance Form duly completed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Kingsley Shares in respect of which you intend to accept the Offer to the Registrar in an envelope marked "**Kingsley Edugroup Limited — Offer**";
  - ii. arrange for the Kingsley Share(s) to be registered in your name through the Registrar and send the accompanying Acceptance Form duly completed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar in an envelope marked "**Kingsley Edugroup Limited — Offer**";
  - iii. if your Kingsley Share(s) have been lodged with your licensed securities dealer (or other registered dealer in securities)/custodian bank through CCASS, instruct your licensed securities dealer (or other registered dealer in securities or custodian bank) to authorize HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set out by HKSCC Nominees Limited,

- you should check with your licensed securities dealer (or other registered dealer in securities or custodian bank) for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer (or other registered dealer in securities or custodian bank) as required by them; or
- iv. if your Kingsley Share(s) have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set out by HKSCC Nominees Limited.
- (d) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect your Kingsley Share(s) is/are not readily available and/or is/are lost, are the case may be, and you wish to accept the Offer, the Acceptance Form should nevertheless be completed and delivered in an envelope marked "**Kingsley Edugroup Limited — Offer**" to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title or that it/they is/are not readily available and any satisfactory indemnity required in respect thereof. If you subsequently find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s), you should also write to the Registrar for a form of letter of indemnity which, when completed in accordance with the instructions given therein, should be returned to the Registrar. The Offeror shall have the absolute discretion to decide whether any Kingsley Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.
- (e) If you lodged transfer(s) of any of your Kingsley Shares for registration in your name and have not yet received your share certificate(s) and you wish to accept the Offer, you should nevertheless complete and sign the Acceptance Form and deliver it in an envelope marked "**Kingsley Edugroup Limited — Offer**" to the Registrar together with the transfer receipt(s) duly signed by you. Such action will be deemed to be an irrevocable instruction and authority to each of Ballas Capital and/or the Offeror and/or any of their respective agent(s) to collect from Kingsley or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar and to authorize and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions to the Offer, as if it/they were delivered to the Registrar with the Acceptance Form.

- (f) Acceptance of the Offer will be treated as valid only if the duly completed and signed Acceptance Form is received by the Registrar by no later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code), and the Registrar has recorded that the Acceptance Form and any relevant documents required under this paragraph below have been so received and is:
- i. accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if those share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents in order to establish your right to become the registered holder of the relevant Kingsley Shares; or
  - ii. from a registered Kingsley Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Kingsley Shares which are not taken into account under another sub-paragraph under this paragraph (f)); or
  - iii. certified by the Registrar or the Stock Exchange.
- (g) If the Acceptance Form is executed by a person other than the registered Kingsley Shareholder, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.
- (h) Seller's ad valorem stamp duty for transfer of Offer Shares arising in connection with acceptances of the Offer will be payable by the relevant Kingsley Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher. An amount equivalent to the aforesaid stamp duty will be deducted from the cash amount payable by the Offeror to such Kingsley Shareholder who accepts the Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty would be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Kingsley Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (i) No acknowledgement of receipt of any Acceptance Form, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.
- (j) If the Offer does not become, or is not declared, unconditional in all respects within the time permitted by the Takeovers Code, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or

indemnities required in respect thereof) received by the Registrar will be returned to the Shareholders who have accepted the Offer by ordinary post at the Shareholders' own risk as soon as possible but in any event within 10 days after the Offer has lapsed.

- (k) References to the Offer in this Document and in the Acceptance Form shall include any extension and/or revision thereof.

## **2. SETTLEMENT**

- (a) Provided that the Offer becomes or is declared unconditional and a valid Acceptance Form and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Kingsley Shares as required by Note 1 to Rule 30.2 of the Takeovers Code are complete and in good order in all respects and have been received by the Registrar by no later than 4:00 p.m. on the Closing Date, a cheque or a banker's cashier order for the amount due to each of the Kingsley Shareholders who accept the Offer less seller's ad valorem stamp duty in respect of the Offer Shares tendered by him/her/it under the Offer will be despatched to such Kingsley Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event within seven Business Days following the later of (i) the date of receipt by the Registrar of all relevant documents which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code; and (ii) the date on which the Offer becomes or is declared unconditional in all respects.
- (b) Settlement of the consideration to which any Kingsley Shareholder is entitled under the Offer, as the case may be, will be implemented in full in accordance with its terms (save in respect of the payment of the seller's ad valorem stamp duty in respect of the Offer and the settlement of the Offer Payment pursuant to the Escrow Agreement) without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Kingsley Shareholder.
- (c) No fraction of a cent will be payable and the amount of cash consideration payable to a Kingsley Shareholder who accept the Offer will be rounded up to the nearest cent.

## **3. ACCEPTANCE PERIOD AND REVISIONS**

- (a) The Offer is capable of acceptance on and from Wednesday, 19 February 2020 (being the date of despatch of this Offer Document) until 4:00 p.m. on the Final Closing Date.
- (b) Unless the Offer has previously been revised or extended with the consent of the Executive or otherwise in accordance with the Takeovers Code, to be valid, the Acceptance Form must be received by the Registrar in accordance with the instructions printed thereon, by 4:00 p.m. on the Closing Date. The Offer are



conditional on, among other things, valid acceptances of the Offer having been received (and not, where permitted, withdrawn) in respect of such number of Kingsley Shares which would result in the Offeror holding at least 90% of the Offer Shares and not less than 90% of the Disinterested Kingsley Shares (being issued Kingsley Shares other than those being held by the Offeror or the Offeror Concert Parties) by 4:00 p.m. on the First Closing Date (or such later time(s) and/or date(s) as the Offeror may decide and the Executive may approve). The Offeror will make an announcement as and when the Offer become or are declared unconditional (both as to acceptances and in all respects).

- (c) If the Offer is extended, the Offeror will issue an announcement in relation to any extension of the Offer, which will state either the next closing date or, a statement that the Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing must be given before the Offer is closed to those Kingsley Shareholders who have not accepted the relevant Offer before the Offer is closed. If, in the course of the Offer, the Offeror revises the terms of the Offer, all Kingsley Shareholders, whether or not they have already accepted the Offer, will benefit under the revised terms. A revised offer must be kept open for at least 14 days following the date on which the revised offer document is posted.
- (d) If the Closing Date is extended, any reference in this Offer Document and in the Acceptance Form to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent closing date.

#### **4. ANNOUNCEMENTS**

- (a) By 6:00 p.m. on each Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offeror must publish an announcement on the website of the Stock Exchange by 7:00 p.m. on the relevant Closing Date stating, among other things, the information required under Rule 19.1 of the Takeovers Code. The announcement will include, among other things, whether the Offer has been revised or extended or has expired, the results of the Offer. The announcement will also state the following:
  - (i) the total number of Offer Shares for which acceptances of the Offer have been received;
  - (ii) the total number of Offer Shares and rights over Offer Shares held, controlled or directed by the Offeror and Offeror Concert Parties before the commencement date of the Offer Period; and
  - (iii) the total number of Offer Shares and rights over Offer Shares acquired or agreed to be acquired by the Offeror and Offeror Concert Parties during the Offer Period.

The announcement will include details of any relevant securities of Kingsley which the Offeror or Offeror Concert Parties have borrowed or lent, save for any borrowed securities which have been either on-lent or sold.

The announcement will also specify the percentages of the relevant classes of issued share capital of Kingsley and the percentages of voting rights of Kingsley represented by these numbers of Kingsley Shares.

- (b) In computing the total number of Offer Shares represented by acceptances, only valid acceptances that are complete and in good order, and which have been received by the Registrar, by no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.
- (c) As required under the Takeovers Code, all announcements in respect of the Offer will be made in accordance with the requirements of the Takeovers Code and the GEM Listing Rules.

## **5. NOMINEE HOLDERS**

To ensure equality of treatment of all Kingsley Shareholders, those Kingsley Shareholders who hold Kingsley Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Kingsley Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

## **6. RIGHT OF WITHDRAWAL**

The Offer are conditional upon fulfilment of the Offer Conditions. Acceptances of the Offer tendered by the Kingsley Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out below:

- (a) in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the Offer shall be entitled to withdraw his/her/its acceptance after 21 days from the First Closing Date if the Offer has not by then become unconditional as to acceptances.
- (b) in the circumstances set out in Rule 19.2 of the Takeovers Code (namely, where the Offeror is unable to comply with any of the requirements for making announcements relating to the Offer as described under the paragraph headed “4. Announcements” above), the Executive may require that acceptors be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements can be met.

In such case, when the Kingsley Shareholder(s) withdraw his/her/its acceptance(s), the Offeror shall, as soon as possible but in any event within 10 days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any indemnity or indemnities provided in respect thereof) lodged with the Acceptance Form to the relevant Kingsley Shareholder(s) at his/her/its own risks.

Save as aforesaid, acceptances of the Offer shall be irrevocable and not capable of being withdrawn.

## **7. OVERSEAS KINGSLEY SHAREHOLDERS**

The making of the Offer to the Overseas Kingsley Shareholders may be affected by the laws of the relevant jurisdictions. The Overseas Kingsley Shareholders should observe any applicable legal or regulatory requirements. The Overseas Kingsley Shareholders should obtain appropriate legal advice regarding the implications of the Offer in the relevant jurisdictions with a view to observing any applicable legal or regulatory requirements. It is the responsibility of the Overseas Kingsley Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith, including but not limited to the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or regulatory or legal requirements. The Overseas Kingsley Shareholders will also be fully responsible for the payment of any transfer or other taxes or other required payments and duties by the accepting Overseas Kingsley Shareholders payable in respect of all relevant jurisdictions. Acceptance of the Offer by the Overseas Kingsley Shareholders will constitute a representation and warranty by such person that the local laws and requirements have been complied with and such person is permitted under all applicable laws to receive and accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.

## **8. NOTICE TO U.S. SHAREHOLDERS**

The Offer is being made for the securities of a company incorporated in the Cayman Islands and registered in Hong Kong as a non-Hong Kong company whose shares are listed on GEM of the Stock Exchange, and is therefore subject to Hong Kong disclosure requirements which are different from those of the United States. This Offer Document will not be filed under any laws or rules of any jurisdiction other than Hong Kong, which are different from those of the United States. The Offer is being made in the United States in reliance on the exemption from certain requirements of Regulation 14E of the United States Securities Exchange Act of 1934 provided by Rule 14d-1(c) thereunder and otherwise in accordance with the requirements of the SFO.

Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, which may be different from those applicable under United States domestic tender offer procedures and laws. The receipt of cash pursuant to the Offer by a United States holder of Kingsley Shares may be a taxable transaction for United States federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each United States holder of Kingsley Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of acceptance of the Offer.

**9. TAX IMPLICATIONS**

Kingsley Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer is in a position to advise the Kingsley Shareholders on their individual tax implication nor accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

**10. GENERAL**

- (a) All communications, notices, the Acceptance Form, share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to be delivered by or sent to or from the Kingsley Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk. Such communications, notices, documents and remittances will be sent to Kingsley Shareholders at their addresses, specified on the relevant Acceptance Form. None of the Offeror, Kingsley, and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts any responsibility for any loss or delay in transmission or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Acceptance Form forms part of the terms of the Offer.
- (c) The accidental omission to despatch this Offer Document and/or Acceptance Form or any of them to any person to whom the Offer are made will not invalidate the Offer in any way.
- (d) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Acceptance Form will constitute an irrevocable authority to the Offeror and/or Ballas Capital (or such person or persons as the Offeror and/or Ballas Capital may direct) to complete and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror (or such person or persons as it may direct) the Offer Shares in respect of which such person or persons has accepted the Offer.
- (f) By accepting the Offer, the Kingsley Shareholders will sell their Kingsley Shares to the Offeror free from encumbrance and any other third party rights of any nature and together with all rights accruing or attaching to them, including, without limitation, the right to receive in full all dividends and distributions (as applicable) which may be recommended, declared, made or paid by reference to a record date on or after the date on which the Offer is made, that is, the date of this Offer Document.

- (g) References to the Offer in this Offer Document and in the Acceptance Form include any extension and/or revision thereof.
- (h) The English text of this Offer Document and the Acceptance Form shall prevail over the Chinese text for the purpose of interpretation.
- (i) In making their decision, Kingsley Shareholders must rely on their own examination of the Offeror, the Kingsley Group and the terms of the Offer, including the merits and risks involved. The contents of this Offer Document, including any general advice or recommendation contained herein together with the Acceptance Form, shall not be construed as any legal or business advice on the part of the Offeror, Kingsley, Ballas Capital, the Registrar or their respective professional advisers. Kingsley Shareholders should consult their own professional advisers for professional advice.

**RESPONSIBILITY STATEMENT**

This Offer Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Offer and the Offeror.

The information contained in this Offer Document relating to the Maple Leaf Group and the Offeror has been supplied by Maple Leaf. As at the date of this Offer Document, the board of directors of Maple Leaf comprises Mr. 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. Alan Shaver and Mr. Lap Tat Arthur Wong as independent non-executive directors, and the sole director of the Offeror is Mr. Jen.

The issue of this Offer Document has been approved by the directors of Maple Leaf and the sole director of the Offeror, who jointly and severally accept full responsibility for the accuracy of the information contained in this Offer Document and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Offer Document have been arrived at after due and careful consideration and there are no other facts not contained in this Offer Document the omission of which would make any statement in this Offer Document misleading.

The information contained in this Offer Document relating to Kingsley Group has been supplied by Kingsley or extracted from or based on the published information relating to the Kingsley Group. The only responsibility accepted by the sole director of the Offeror and jointly and severally by the directors of Maple Leaf in respect of such information is for the correctness and fairness of its reproduction or presentation.

**DEALINGS IN SECURITIES**

During the Relevant Period:

- (i) none of the Offeror, Maple Leaf, their respective directors and their respective parties acting in concert therewith had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Kingsley;
- (ii) save for the Covenanting Kingsley Shareholders pursuant to the Irrevocable Undertakings, no person who had irrevocably committed themselves to accept or reject the Offer had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Kingsley; and
- (iii) none of the Offeror, Maple Leaf and their Concert Parties who had borrowed or lent, save for any borrowed Kingsley Shares which had been either on-lent or sold, had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Kingsley.

**DISCLOSURE OF INTERESTS****(a) Interests of the Offeror in Kingsley**

As at the Latest Practicable Date, the Offeror did not hold any Kingsley Shares or any warrants, options, derivatives or securities carrying conversion or subscription rights into Kingsley Shares or any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) and relevant shareholdings (as defined in Note 1 to Paragraph 1 of Schedule I to the Takeovers Code) of Kingsley.

**(b) Interests of the Offeror's director in Kingsley**

As at the Latest Practicable Date, the sole director of the Offeror did not hold any Kingsley Shares or any warrants, options, derivatives or securities carrying conversion or subscription rights into Kingsley Shares nor have any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeover Code) and relevant shareholdings (as defined in Note 1 to Paragraph 1 of Schedule I to the Takeovers Code) of Kingsley.

**(c) Interests of the Offeror Concert Parties in Kingsley**

As at the Latest Practicable Date, none of the Offeror Concert Parties owned or controlled or had any Kingsley Shares or any warrants, options, derivatives or securities carrying conversion or subscription rights into Kingsley Shares or any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) and relevant shareholdings (as defined in Note 1 to Paragraph 1 of Schedule I to the Takeovers Code) of Kingsley.

**(d) Interests of Kingsley and Kingsley directors in the Offerors**

As at the Latest Practicable Date, Kingsley did not own or control and no Kingsley director had any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeror or Maple Leaf.

**(e) Interests Covenanting Kingsley Shareholders in the Offerors**

As at the Latest Practicable Date, the Covenanting Kingsley Shareholders did not own or control nor had any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeror or Maple Leaf.

**MARKET PRICES**

The table below shows the closing price per Kingsley Share as quoted on the Stock Exchange on (a) the Latest Practicable Date; (b) 24 January 2020, being the Last Trading Date (being the last trading date immediately preceding the date of the Joint Announcement); and (c) the last trading date at or before the end of each of the calendar months during the Relevant Period.

<b>Date</b>	<b>Closing price per Kingsley Share (HK\$)</b>
<b>2019</b>	
31 July	0.69
30 August	0.68
30 September	0.395
31 October	0.51
29 November	0.5
31 December	0.54
<b>2020</b>	
24 January (being the Last Trading Date)	0.48
31 January	0.5
14 February (being the Latest Practicable Date)	0.5

**HIGHEST AND LOWEST SHARE PRICE**

During the Relevant Period, the highest closing price of Kingsley Shares as quoted on the Stock Exchange was HK\$0.72 per Kingsley Share on 2 and 5 August 2019 and the lowest closing price of Kingsley Shares as quoted on the Stock Exchange was HK\$0.395 per Kingsley Share on 30 September 2019.

**OTHER DISCLOSURES**

Prior to the posting of this Offer Document, the Covenanted Kingsley Shareholders have irrevocably undertaken to the Offeror that the Offer will be accepted by them in respect of all of the Kingsley Shares held by them, being 600,000,000 Kingsley Shares representing approximately 75% of the issued share capital of Kingsley as at the Latest Practicable Date.



**APPENDIX II****GENERAL INFORMATION OF THE OFFEROR**

The 600,000,000 Kingsley Shares are held by the Covenanted Kingsley Shareholders as follows:

<b>Name of Covenanted Kingsley Shareholder</b>	<b>Number of Kingsley Shares interested</b>	<b>% of issued voting shares</b>
DGMK Investment	552,000,000	69
Star Shine	552,000,000	69
Eduking Investment	48,000,000	6

Save as disclosed above, as at the Latest Practicable Date:

- (i) the Offeror and the Offeror Concert Parties had not dealt in the Kingsley Shares, convertible securities, warrants, options or derivatives of Kingsley during the Relevant Period;
- (ii) the Offeror and the Offeror Concert Parties do not own, control or have direction over any voting rights in any Kingsley Shares nor own, control or have direction over any other rights or interests in the issued share capital or voting rights of Kingsley;
- (iii) the Offeror and the Offeror Concert Parties do not hold any Kingsley Shares, warrants, options, derivatives or other securities that are convertible or exchangeable into Kingsley Shares or other types of equity interest in Kingsley;
- (iv) there is no outstanding derivative in respect of the securities in Kingsley which has been entered into by the Offeror or the Offeror Concert Parties;
- (v) other than the Offer and the Irrevocable Undertakings, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or Kingsley and which might be material to the Offer;
- (vi) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in Kingsley which the Offeror or the Offeror Concert Parties has/have borrowed or lent;
- (vii) none of the Offeror nor any of the Offeror Concert Parties has received any other irrevocable commitment to accept or reject the Offer;
- (viii) there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a condition to the Offer;
- (ix) no benefit (other than statutory compensation) had been or would be given to any Kingsley Director as compensation for loss of office or otherwise in connection with the Offer;

- (x) there was no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror or the Offeror Concert Parties and any Kingsley Directors, recent Kingsley Directors, Kingsley Shareholders or recent Kingsley Shareholders having any connection with or dependence upon the Offer;
- (xi) apart from the consideration to be paid under the Offer, each of the Covenancing Kingsley Shareholders or their respective parties acting in concert has not and will not receive any other consideration, compensation or benefits in whatever form paid or to be paid by the Offeror or any parties acting in concert with it to the Covenancing Kingsley Shareholders or their parties acting in concert in connection with the Offer;
- (xii) apart from the Irrevocable Undertakings, there is no other understanding, arrangement, agreement or special deal (under Rule 25 of the Takeovers Code) between the Offeror or Offeror Concert Parties on the one hand, and the Covenancing Kingsley Shareholders and its parties acting in concert on the other hand; and
- (xiii) there is no understanding, arrangement or agreement or special deal (under Rule 25 of the Takeovers Code) between (1) each of the Covenancing Kingsley Shareholders and any other Kingsley Shareholders (or any of their respective concert parties (within the meaning of the Takeovers Code)) on one hand and (2)(a) the Offeror and the Offeror Concert Parties on the other hand, or (b) the Offeree, its subsidiaries or associated companies.

**EXPERT AND CONSENT**

<b>Name</b>	<b>Qualification</b>
Ballas Capital	A corporation licensed to carry out Type 1 (Dealing in Securities) and Type 6 (Advising on Corporate Finance) regulated activities as defined under the SFO, the financial adviser to the Offeror in relation to the Offer

Ballas Capital has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion in this Offer Document of the text of its letter, advice and/or references to its name in the form and context in which it appears herein.

**GENERAL**

The registered office and correspondence address of the Offeror is at Room 1302, 13/F, Tai Tung Building, 8 Fleming Road, Wanchai, Hong Kong.

The registered office of Maple Leaf is at Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The correspondence address of Maple Leaf is at Room 1302, 13/F, Tai Tung Building, 8 Fleming Road, Wanchai, Hong Kong.

**APPENDIX II****GENERAL INFORMATION OF THE OFFEROR**

The principal members of the Offeror's concert group and their particulars are as follows:

<b>Name</b>	<b>Address</b>	<b>Description</b>	<b>Directors</b>
Maple Leaf	Maples Corporate Services Limited, P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands	The parent company of the Offeror and the sole shareholder of the Offeror, being a company incorporated in the Cayman Islands with limited liability	<i>Executive directors</i> Mr. Jen, Ms. Jingxia Zhang and Mr. James William Beeke <i>Non-executive director</i> Mr. Howard Robert Balloch <i>Independent non-executive directors</i> Mr. Peter Humphrey Owen, Mr. Alan Shaver and Mr. Lap Tat Arthur Wong
Mr. Jen	Teachers Apartment, Educational Park, 9 Central Street, Jinshitan State, Tourist and Vacational Zone, Dalian 116650, China	Mr. Jen is the sole director of the Offeror	N/A

Ballas Capital is making the Offer for and on behalf of the Offeror. The address of Ballas Capital is at 1802, 18/F, 1 Duddell Street, Central, Hong Kong.

As at the Latest Practicable Date, the Offeror, Maple Leaf and the Offeror Concert Parties had no agreement, arrangement or understanding to transfer, charge or pledge any of the Kingsley Shares acquired pursuant to the Offer to any other persons.

The Offeror and Maple Leaf confirm that they do not intend that the payment of interest on, repayment of or security for any liability (contingent or otherwise) will depend to any significant extent on the business of the Kingsley Group.

In case of inconsistency, the English text of this Offer Document and the Acceptance Form shall prevail over the Chinese text.

**DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection (i) during normal business hours between 9:00 a.m. and 6:00 p.m. (except public holidays) at the office of William Ji & Co. LLP (in Association with Tian Yuan Law Firm Hong Kong Office), the legal advisers of the Offeror and Maple Leaf as to Hong Kong laws, at Suite 702, 7/F, Two Chinachem Central, 26 Des Voeux Road Central, Central, Hong Kong; (ii) on the website of Maple Leaf at [www.mapleleaf.cn](http://www.mapleleaf.cn); and (iii) on the website of the SFC at [www.sfc.hk](http://www.sfc.hk) from the date of this Offer Document until the end of the Offer Period:

- (1) the letter from Ballas Capital, the text of which is set out on pages 11 to 26 of this Offer Document;
- (2) the written consent as referred to in the section headed “Expert and Consent” in this Appendix II;
- (3) the Irrevocable Undertakings; and
- (4) the memorandum and articles of association of the Offeror.