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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 28 FEBRUARY 2018

HIGHLIGHTS

The Board has resolved to declare the payment of an interim dividend of HK$8.0 cents per share for the six months ended 28 February 2018 (for the six months ended 28 February 2017: HK$6.0 cents per share).

	Six months ended			
	28 February 2018	28 February 2017	**Change**	**Percentage Change**
	RMB'000	*RMB'000*	*RMB'000*	
	(unaudited)	(unaudited)		
Revenue	**631,829**	483,259	+148,570	+30.7%
Gross profit	**294,536**	227,357	+67,179	+29.5%
Profit for the period	**238,359**	180,655	+57,704	+31.9%
Adjusted net profit *(Note)*	**240,396**	180,285	+60,111	+33.3%
Earnings per share				
Basic *(RMB cents)*	**17.10**	13.55	+3.55	+26.2%
Diluted *(RMB cents)*	**17.06**	13.52	+3.54	+26.2%

Note:

a. *Adjusted net profit is derived from the profit for the period after adjusting for non-recurring items which are not indicative of the Group's operating performance, including (i) share-based payments, and (ii) government grants.*

b. *The loss on foreign exchange of RMB13.5 million as a result of issuance of 110,000,000 new shares during this period is not adjusted.*

	As at the end of			
	28 February 2018	28 February 2017	**Change**	**Percentage Change**
Total number of students enrolled	**28,321**	20,636	+7,685	+37.2%

INTERIM RESULTS FOR THE SIX MONTHS ENDED 28 FEBRUARY 2018

The board (the "**Board**") of directors (the "**Directors**") of China Maple Leaf Educational Systems Limited (the "**Company**", together with its subsidiaries and consolidated affiliated entities, the "**Group**") is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 28 February 2018. These interim results have been reviewed by the Company's Audit Committee (the "**Audit Committee**") and the Company's external auditors, Deloitte Touche Tohmatsu.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 28 FEBRUARY 2018

		Six months ended	
		28 February 2018	28 February 2017
	NOTES	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Revenue	*3*	**631,829**	483,259
Cost of revenue		**(337,293)**	(255,902)
Gross profit		**294,536**	227,357
Investment and other income	*4*	**23,033**	24,393
Other gains and losses		**22,077**	27,338
Marketing expenses		**(13,131)**	(11,120)
Administrative expenses		**(73,758)**	(73,004)
Finance costs		**(4,930)**	(3,372)
Profit before taxation		**247,827**	191,592
Taxation	*5*	**(9,468)**	(10,937)
Profit for the period	*6*	**238,359**	180,655
Other comprehensive expense for the period:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on the translation of foreign operations		**(5,329)**	(1,309)
Total comprehensive income for the period		**233,030**	179,346
Profit for the period attributable to owners of the Company		**236,489**	180,655
Profit for the period attributable to non-controlling interest		**1,870**	–
		238,359	180,655
Total comprehensive income attributable to:			
Owners of the Company		**231,160**	179,346
Non-controlling interest		**1,870**	–
		233,030	179,346
EARNINGS PER SHARE			
Basic *(RMB cents)*	*8*	**17.10**	13.55
Diluted *(RMB cents)*	*8*	**17.06**	13.52

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 28 FEBRUARY 2018

	NOTES	At 28 February 2018 RMB'000 (unaudited)	At 31 August 2017 RMB'000 (audited)
Non-current Assets			
Property, plant and equipment	9	**1,962,857**	1,814,438
Prepaid lease payments		**200,685**	203,591
Investment properties	9	**330,044**	337,798
Goodwill		**90,917**	60,464
Intangible assets		**8,750**	7,167
Books for lease		**3,362**	3,222
Interest in a joint venture		**1,000**	1,000
Pledged bank deposits	10	**245,000**	245,000
		2,842,615	2,672,680
Current Assets			
Inventories		**18,305**	18,205
Deposit, prepayments and other receivables		**69,821**	76,737
Held for trading investments		**45,927**	–
Restricted cash	10	**107,136**	–
Bank balances and cash		**1,664,227**	1,649,296
		1,905,416	1,744,238
Current Liabilities			
Deferred revenue	11	**568,947**	1,008,348
Other payables and accrued expenses	12	**243,301**	382,629
Income tax payable		**64,480**	58,455
Borrowings	13	**211,905**	116,981
		1,088,633	1,566,413
Net Current Assets		**816,783**	177,825
Total Assets Less Current Liabilities		**3,659,398**	2,850,505

	NOTES	At 28 February 2018 RMB'000 (unaudited)	At 31 August 2017 RMB'000 (audited)
Capital And Reserves			
Share capital	*14*	**9,255**	8,549
Reserves		**3,365,392**	2,420,638
Equity attributable to owners of the Company		**3,374,647**	2,429,187
Non-controlling interest		**46,592**	72,331
Total Equity		**3,421,239**	2,501,518
Non-Current Liabilities			
Deferred tax liabilities		**38,224**	41,822
Borrowings	*13*	**199,935**	307,165
		238,159	348,987
		3,659,398	2,850,505

1. BASIS OF PREPARATION

The condensed consolidated financial statements of the Company and the Group have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 28 February 2018 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 August 2017.

In the current interim period, the Group has applied, for the first time, the following amendments to International Financial Reporting Standards ("**IFRSs**") and International Accounting Standards ("**IASs**") issued by the International Accounting Standards Board that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 7	Disclosure Initiative
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to IFRSs	Annual Improvements to IFRSs 2014-2016

The application of the above new amendments to IFRSs and IASs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements. Additional disclosure relating to the reconciliation of liabilities arising from financing activities will be provided in the consolidated financial statements for the financial year ending 31 August 2018 in accordance with the amendments to IAS 7 Disclosure Initiative.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents (i) service income from tuition fees and boarding fees, (ii) fees from overseas studies consulting services and summer and winter camps provided to students, (iii) fees from renting educational books to students, and (iv) sales of goods and educational materials to students, less returns, discounts and sales related tax.

The Group is mainly engaged in international school education in the People's Republic of China ("**China**" or the "**PRC**"). The Group's chief operating decision maker has been identified as the Chief Executive Officer who reviews revenue analysis by service lines when making decisions about allocating resources and assessing performance of the Group.

As there is no other discrete financial information available for assessment of the performance of different services, no segment information is presented.

The revenues attributable to the Group's service lines are as follows:

	Six months ended 28 February 2018 RMB'000 (unaudited)	28 February 2017 RMB'000 (unaudited)
Tuition and boarding fees	**535,788**	413,225
Others	**96,041**	70,034
	631,829	483,259

4. INVESTMENT AND OTHER INCOME

	Six months ended 28 February 2018 RMB'000 (unaudited)	28 February 2017 RMB'000 (unaudited)
Bank interest income	**12,430**	12,841
Rental income from investment properties	**7,458**	7,010
Government grants	**3,142**	4,537
Others	**3**	5
	23,033	24,393

5. TAXATION

	Six months ended 28 February 2018 RMB'000 (unaudited)	28 February 2017 RMB'000 (unaudited)
The charge comprises		
Current tax:		
PRC Enterprise Income Tax ("**PRC EIT**")	**13,641**	10,991
Deferred tax:		
Current period	**(4,173)**	(54)
	9,468	10,937

The Company was incorporated in the Cayman Islands and Maple Leaf Educational Systems Limited ("**Maple BVI**") was incorporated in the British Virgin Islands ("**BVI**"). Both are tax exempted as no business is carried out in the Cayman Islands and the BVI under the tax laws of the Cayman Islands and the BVI.

No provision for Hong Kong profits tax was made as the Group's operation in Hong Kong had no assessable profit for either period.

Dalian Beipeng Educational Software Development Inc. ("**Beipeng Software**") is entitled to High and New Technology Enterprise ("**HNTE**") status starting from the calendar year of 2017. Beipeng Software is eligible for a preferential enterprise income tax rate of 15% starting from the calendar year of 2017. The HNTE status is valid for three years and may be renewed at the end of three years.

According to the Implementation Rules for the Law for Promoting Private Education, private schools for which the sponsors do not require reasonable returns are eligible to enjoy the same preferential tax treatment as public schools. Dalian Maple Leaf International School, Dalian Maple Leaf International School (Middle School and Elementary School), Tianjin Teda Maple Leaf International School, Wuhan Maple Leaf International School, Wuhan Maple Leaf School, Zhenjiang Maple Leaf International School, Chongqing Maple Leaf International School, Tianjin Huayuan Maple Leaf International School, Shanghai Maple Leaf International School, Yiwu Maple Leaf International School affiliated School, Zhejiang Yiwu Maple Leaf International School, Hainan Maple Leaf International School, Henan Maple Leaf International School and Yancheng Maple Leaf International School have been granted enterprise income tax exemption in respect of their tuition income by the relevant local tax authorities.

6. PROFIT FOR THE PERIOD

	Six months ended	
	28 February 2018	28 February 2017
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging (crediting):		
Staff costs, including directors' remuneration		
– salaries and other allowances	**248,234**	195,699
– retirement benefit scheme contributions	**11,604**	8,539
– share-based payments	**5,179**	4,167
Total staff costs	**265,017**	208,405
Gross rental income from investment properties	**(7,458)**	(7,010)
Less:		
Direct operating expenses incurred for investment properties that generated rental income during the period (included in administrative expenses)	**1,083**	1,167
	(6,375)	(5,843)
Depreciation of property, plant and equipment	**27,244**	24,571
Depreciation of investment properties	**1,861**	1,899
Release of prepaid lease payments	**2,906**	2,177
Amortisation of books for lease	**1,222**	1,360

7. DIVIDENDS

During the current interim period, a final dividend of HK$8.6 cents (equivalent to approximately RMB7.0 cents) per share (total dividend of RMB104,423,000) in respect of the year ended 31 August 2017 was paid to shareholders. Subsequent to the end of the current interim period, the directors of the Company have determined that an interim dividend of HK$8.0 cents per share in respect of the six months ended 28 February 2018 (for the six months ended 28 February 2017: HK$6.0 cents, equivalent to approximately RMB5.3 cents, total dividend of RMB73,109,000) will be paid to shareholders whose names appear on the register of members of the Company at the close of business on 17 May 2018.

8. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended	
	28 February 2018	28 February 2017
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Earnings:		
Earnings for the purpose of basic and diluted earnings per share (Profit for the period attributable to owners of the Company)	**236,489**	180,655

	Six months ended	
	28 February 2018	28 February 2017
	'000	*'000*
	(unaudited)	(unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,382,629**	1,333,176
Effect of dilutive potential ordinary shares	**3,746**	3,491
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,386,375**	1,336,667

The number of shares adopted in the calculation of basic earnings per share for the six months ended 28 February 2018 has been arrived at after eliminating the ungranted or unvested shares of the Company held under the share award scheme (the "**Share Award Scheme**").

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the current interim period, the Group disposed of certain equipment with an aggregate carrying amount of approximately RMB579,000 (for the six months ended 28 February 2017: RMB221,000) for cash proceeds of approximately RMB864,000 (for the six months ended 28 February 2017: RMB1,087,000), resulting in a gain on disposal of approximately RMB285,000 (a gain for the six months ended 28 February 2017: RMB866,000).

During the current interim period, the Group received a government grant in relation to asset amounted to RMB24,700,000 (for the six months ended 28 February 2017: RMB20,000,000), which was deducted from the carrying amount of certain buildings. After considering the government grant received, the Group recorded an addition of property, plant and equipment amount RMB185,096,000. The Group paid a net cash consideration of RMB93,216,000, after deducting the cash inflow from government grant in relation to assets, to purchase property, plant and equipment (for the six months ended 28 February 2017: RMB62,119,000).

During the period ended 28 February 2017, the Group acquired properties in Singapore for a cash consideration of Singapore Dollars ("**S$**") 67,303,000 (equivalent to approximately RMB330,833,000). The properties are currently leased to a third party and therefore categorised as investment properties.

10. RESTRICTED CASH

	At 28 February 2018 ***RMB'000*** **(unaudited)**	At 31 August 2017 *RMB'000* (audited)
Restricted cash	**352,136**	245,000
Analysed for reporting purposes as:		
Current assets disclosed as restricted cash *(Note a)*	**107,136**	–
Non-current assets disclosed as pledged bank deposits *(Note b)*	**245,000**	245,000
	352,136	245,000

a. During the current interim period, the Group placed RMB107,136,000 in a restricted bank deposit account for the acquisitions of five new subsidiaries in Hainan Province. As of 28 February 2018, these acquisitions have not been completed.

b. During the financial year ended 31 August 2017, the Group pledged bank deposits amount to RMB245,000,000 to secure bank loans. Further details of the transaction is set out in Note 13.

11. DEFERRED REVENUE

	At 28 February 2018 ***RMB'000*** **(unaudited)**	At 31 August 2017 *RMB'000* (audited)
Tuition and boarding fees	**538,294**	957,263
Others	**30,653**	51,085
	568,947	1,008,348

12. OTHER PAYABLES AND ACCRUED EXPENSES

	At 28 February 2018 *RMB'000* (unaudited)	At 31 August 2017 *RMB'000* (audited)
Miscellaneous expenses received from students *(Note)*	**78,182**	185,127
Payables for purchase of property, plant and equipment	**62,143**	97,266
Deposits received from students	**18,568**	20,402
Accrued payroll	**12,423**	19,949
Acquisition payable	**7,947**	–
Other tax payables	**8,049**	11,740
Prepayment from lessee	**3,230**	3,676
Payable for land use right	**3,000**	3,000
Payables for purchase of goods	**2,497**	4,400
Accrued operating expenses	**2,328**	1,925
Others	**44,934**	35,144
	243,301	382,629

Note: The amount represents miscellaneous expenses received from students which will be paid out on their behalf.

13. BORROWINGS

	At 28 February 2018 *RMB'000* (unaudited)	At 31 August 2017 *RMB'000* (audited)
Secured bank borrowings	**411,840**	424,146
The carrying amounts of the above borrowings are repayable:		
Within one year	**211,905**	116,981
Within a period of more than one year but not exceeding two years	**4,583**	101,232
Within a period of more than two years but not exceeding five years	**195,352**	205,933
	411,840	424,146
Less: Amounts due within one year shown under current liabilities	**(211,905)**	(116,981)
Amounts shown under non-current liabilities	**199,935**	307,165

Note: During the financial year ended 31 August 2017, the Group obtained bank loans amount to S$67,303,000 (equivalent to RMB330,833,000) and HK$120,000,000 (equivalent to RMB106,559,000). The bank loans are secured by pledged deposits of RMB245,000,000 of Dalian Maple Leaf Educational Group Co., Ltd., mortgaged over investment properties with carrying amount of RMB319,394,000, existing and future legal assignment of sales proceeds, rental proceeds, rental deposits and other rights of Maple Leaf Education Hillside Pte. Limited. There was no new bank loans obtained during the current interim period. The loans carry interest at variable interest rates from 1.33% to 2.98% (31 August 2017: 1.14% to 2.77%) per annum.

14. SHARE CAPITAL

	Number of shares	Amount	Shown in the financial statements
	'000	*US$'000*	*RMB'000*
Ordinary shares of US$0.001 each			
Authorised			
At 1 September 2016, 28 February 2017, 1 September 2017 and 28 February 2018	**4,000,000**	**4,000**	
Issued and fully paid			
At 1 September 2016 and 28 February 2017	1,360,751	1,361	8,418
At 1 September 2017	1,379,488	1,380	8,549
Exercise of share options (Note a)	**100**	**–**	**1**
Issue of new shares (Note b)	**110,000**	**110**	**705**
At 28 February 2018	**1,489,588**	**1,490**	**9,255**

Notes:

a. During the period ended 28 February 2018, options to subscribe for 100,000 ordinary shares with par value of US$0.001 per share were exercised at HK$4.40 (equivalent to RMB3.73) per share. These shares rank pari passu with other shares in issue in all respect.

b. On 17 January 2018, the Company issued 110,000,000 new shares at a price of HK$9.10 (equivalent to approximately RMB7.48) per share by way of placement to not less than six individuals, who and whose ultimate beneficial owner are independent third parties. The net proceeds from the subscription amounted to approximately HK$989,465,000 (equivalent to approximately RMB813,804,000).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

With over twenty three years of experience in operating international schools in China, the Group is one of the leading international school operators in China in terms of student enrolment, offering high quality, bilingual preschool to grade 12 education combining the merits of both Western and Chinese educational philosophies. Our high schools (for students from grade 10 to 12) are certified by both the Ministry of Education of British Columbia ("**BC**"), Canada and Chinese educational authorities respectively, which allow our graduates to receive both a fully accredited BC diploma and a Chinese diploma. Furthermore, all of our high schools and Maple Leaf Educational Systems have been accredited by AdvancED, the largest school accreditation agency in the United States of America. We target mainly Chinese students from middle class families in China who aim to pursue higher education abroad and for whom our tuition fees are affordable and competitive.

Our Schools

At the commencement of the 2017/2018 school year, 14 new schools were added to our school network. In September 2017, the Group opened a high school in Richmond, BC, Canada and a high school in Xi'an, Shaanxi Province; a middle school (for students from grade 7 to 9) and an elementary school (for students from grade 1 to 6) in Dalian, Liaoning Province; an elementary school in Yancheng, Jiangsu Province; a middle school, an elementary school and a preschool in Liangping, Chongqing; a middle school, an elementary school and a preschool in Huzhou, Zhejiang Province; a middle school, an elementary school and a preschool in Weifang, Shandong Province.

In January 2018, the Group completed the acquisition of 55% equity interest in Yisidun International Education Investment (Shenzhen) Co., Ltd*, as a result, a high school, a middle school and an elementary school were added to our school network.

As at 28 February 2018, the Group had 77 schools located in 21 cities in China and Canada, namely Dalian, Wuhan, Tianjin, Chongqing, Zhenjiang, Luoyang, Ordos, Shanghai, Pingdingshan, Jingzhou, Yiwu, Pinghu, Xi'an, Huai'an, Yancheng, Huzhou, Weifang, Haikou, Shenzhen, Kamloops and Richmond. The following table shows a summary of our schools by category as at the end of the two periods:

	At 28 February 2018	At 28 February 2017
High schools	**13**	9
Middle schools	**21**	15
Elementary schools	**21**	14
Preschools	**19**	15
Foreign national schools	**3**	3
Total	**77**	56

Revenue

	For the six months ended			
	28 February 2018 *RMB'000*	**% of Total**	28 February 2017 *RMB'000*	% of Total
Tuition fees				
– High school	**263,511**	**41.7**	224,212	46.4
– Middle school	**95,906**	**15.2**	70,591	14.6
– Elementary school	**139,980**	**22.2**	92,790	19.2
– Preschool	**23,438**	**3.7**	16,225	3.4
– Foreign national school	**12,953**	**2.1**	9,407	1.9
Total of tuition fees	**535,788**	**84.8**	413,225	85.5
Textbooks	**25,200**	**4.0**	20,785	4.3
Summer and winter camps	**21,564**	**3.4**	20,692	4.3
Other educational services	**4,435**	**0.7**	1,161	0.2
Others	**44,842**	**7.1**	27,396	5.7
Total revenue	**631,829**	**100**	483,259	100

For the six months ended 28 February 2018, tuition fees remained our major revenue contributor, accounting for over 84.8% of total revenue. Tuition fees generally include boarding fees, which are mainly paid prior to the beginning of each school year and are initially recorded as deferred revenue. Tuition fees received in advance are recognized as revenue proportionately over the relevant school year. For the six months ended 28 February 2018, tuition fees increased by RMB122.6 million, or 29.7%, mainly due to an increase in overall student enrolment during this period.

Tuition fees from our high schools increased by 17.5%, while tuition fees from middle schools and elementary schools increased by 35.9% and 50.9% respectively. The positive performance in our middle schools and elementary schools was mainly attributable to the opening of 4 new middle schools and 5 new elementary schools in September 2017, while the number of students in our schools in Huai'an, Xi'an and Pinghu grew significantly.

Revenue from others principally comprises revenue from self-operated supermarkets selling food and miscellaneous school supplies in our school campuses, provision of school uniforms and providing other services. Revenue from others increased significantly for the six months ended 28 February 2018.

Student Enrolment

	At 28 February 2018	At 28 February 2017	Change	Percentage Change
Total number of students enrolled	**28,321**	20,636	**+7,685**	**+37.2%**

The total number of students enrolled increased due to (i) an increase in student enrolment at our schools in Huai'an, Pinghu, Xi'an, Ordos and Yiwu; and (ii) the opening of new schools in Dalian, Chongqing, Xi'an, Weifang, Yancheng, Huzhou and Richmond, with effect from September 2017. In particular, our schools in Huai'an, Xi'an and Pinghu experienced a remarkable growth in student enrolment for the six months ended 28 February 2018. These numbers do not include more than 3,000 students at Haikou acquired schools of which the acquisitions are still incomplete.

Average Tuition Fee per Student

	For the six months ended 28 February 2018	28 February 2017
Tuition fees (RMB'000)	**535,788**	413,225
Average student enrolment^	**27,205**	19,985
Average tuition fee per student# (RMB'000)	**19.7**	20.7

^ Average student enrolment is calculated by taking the average of the total number of students enrolled at the end of six months period and the total number of students enrolled at the end of the previous school year.

Average tuition fee per student is calculated by dividing tuition fees for the six months period by average student enrolment.

Average tuition fee per student decreased insignificantly by approximately 4.8% due to the impact of having a larger portion of our overall students in middle schools and elementary schools.

Utilization of Our Schools

Utilization rate is calculated as the number of students divided by the estimated capacity of a given school. Except for our preschools and foreign national schools, our schools are generally boarding schools. For our boarding schools, the capacity for students is based on the number of beds in their dormitories. For our preschools, the capacity for students is based on the number of beds used for naps in the schools. For our foreign national schools, the capacity for students is based on the number of desks in their classrooms.

	At 28 February 2018	At 28 February 2017
Total number of students enrolled	**28,321**	20,636
Total capacity	**48,840**	35,340
Overall utilization	**58.0%**	58.4%

Total capacity increased primarily due to the opening of schools in Dalian, Liangping, Yancheng, Huzhou, Weifang, and Richmond in September 2017 and acquired schools in Shenzhen in January 2018. The insignificant decrease in our overall utilization rate was due to a significant increase in our capacity as the result of the opening of 17 new schools with 13,500 additional beds/desks.

Our Teachers

	At 28 February 2018	At 28 February 2017
Total number of teachers	**2,643**	1,999

Our student-teacher ratio remained relatively stable at below 11:1. The total number of teachers increased mainly because more PRC-certified teachers were recruited for the opening of the 4 middle schools and 5 elementary schools at the commencement of the 2017/2018 school year.

OUTLOOK

Student Enrolment

As at 31 March 2018, our total student enrolment was 29,991. Approximately 30.2% of our current students are high school students.

On 25 January 2018, the Group entered into share purchase agreements to acquire 100% interest in Haikou Meishe School, Haikou Meiwen School, Haikou Changchunteng Kindergarten, Haikou Meihua School and Haikou Youth Service Center, which provide middle school, elementary school, preschool education and training services in Hainan province, China. As the acquisitions had not been completed as at 31 March 2018, the more than 3,000 students at these schools were not included in the 31 March 2018 student enrolment. Taking into account of these students, the total student enrolment would have exceeded 33,000 students as at 31 March 2018 which is in line with our student enrolment target for the 2017/2018 school year as laid down under the Group's fifth five-year plan.

The Group believes that establishing a "through-train" for students from preschool to high school can improve the efficiency of our school system, while producing students that are better prepared for the BC diploma in our high schools and for further studies at overseas universities. To achieve this, the Group will continue to open more middle schools and elementary schools in second and third tier cities in China, which are large enough to serve as district schools, as feeders for our high schools. Therefore, the Group expects that the proportion of our students in middle schools and elementary schools will continue to grow.

New School Openings in the 2018/2019 School Year

The Group has a strong pipeline of opening new schools in China and overseas. In particular, in 2018/2019 school year, the Group will open a high school in Adelaide, Australia, a high school and a middle school in existing school network in Yancheng, Jiangsu Province. These new schools and campuses, being developed with an asset light model, are expect to add 1,900 new spaces to our total capacity.

Expansion of Our Established Schools in the 2018/2019 School Year

We continue to see high demand for our established schools and will look to expand a number of our schools. The Group will complete the construction of additional dormitories and teaching buildings on campuses in Chongqing and Tianjin (Teda) before the end of the 2017/2018 school year. In 2018/2019 school year, we expect to expand our school in Wuhan, therefore, 1,500 new spaces will be added to our total capacity in 2019/2020 school year.

Acquisition in Shenzhen, China

On 14 December 2017, the Group entered into a share purchase agreement with Shenzhen Longgang Pengda School* (深圳市龍崗區鵬達學校) in relation to the acquisition (the "**Acquisition**") of 55% equity interest in Yisidun International Education Investment (Shenzhen) Co., Ltd* (伊思頓國際教育投資（深圳）有限公司) at a total consideration of RMB89,045,000 (equivalent to approximately HK$104,921,724). The Acquisition completed in January 2018. This is the Group's first Maple Leaf school in Shenzhen City as well as Guangdong Province which provides an opportunity for the Group to establish strategic presence and to build brand awareness in one of China's top tier cities and most developed areas and to further expand its school network in other cities in Guangdong-Hong Kong-Macau Greater Bay Area in the future. The addition of the school to the Group's school network through the Acquisition will improve the profitability of the Group and strengthen its position in the education industry in China. For details of this Acquisition, please refer to the Company's announcement dated 14 December 2017.

Acquisitions in Haikou, China

On 25 January 2018, the Group entered into a share purchase agreement (the "**Meishe Qianyan Agreement**") with Haikou Meishe Jiaohui Educational Technology Co., Ltd.* (海口美舍交慧教育科技有限公司) ("**Meishe Jiaohui**") and Haikou Meishe Qianyan Educational Management Co., Ltd.* (海口美舍前沿教育管理有限公司) ("**Meishe Qianyan**") in relation to the acquisition of 100% equity interest in Meishe Qianyan at a total consideration of RMB90,000,000 (equivalent to approximately HK$110,415,900) (subject to any adjustment as set out in the Meishe Qianyan Agreement).

Meishe Jiaohui is primarily engaged in the investment in and management of education business. Meishe Qianyan is a company established in the PRC with limited liability and principally engaged in the operation of Haikou Meishe School* (海口美舍學校) ("**Meishe School**"), a boarding school providing elementary and secondary school service located in Haikou City in Hainan Province, which is a private non-enterprise organization wholly-owned by Meishe Qianyan. Meishe School has an enrolment of approximately 1,550 students.

On 25 January 2018, the Group entered into a share purchase agreement (the "**Meiwen Qianyan Management Agreement**") with Haikou Meiwen Qianyan Educational Technology Co., Ltd.* (海口美文前沿教育科技有限公司) ("**Meiwen Qianyan Technology**") and Haikou Meiwen Qianyan Educational Management Co., Ltd.* (海口美文前沿教育管理有限公司) ("**Meiwen Qianyan Management**") in relation to the acquisition of 100% equity interest in Meiwen Qianyan Management at a total consideration of RMB30,000,000 (equivalent to approximately HK$36,805,300) (subject to any adjustment as set out in the Meiwen Qianyan Management Agreement).

Meiwen Qianyan Technology is primarily engaged in the investment in and management of education business. Meiwen Qianyan Management is a company established in the PRC with limited liability and principally engaged in the operation of Haikou Meiwen School* (海口美文學校) ("**Meiwen School**"), a boarding school providing elementary school service located in Haikou City in Hainan Province, which is a private non-enterprise organization wholly-owned by Meiwen Qianyan Management. Meiwen School has an enrolment of approximately 950 students.

On 25 January 2018, the Group entered into a share purchase agreement (the "**Changchunteng Qianyan Agreement**") with Haikou Changyu Educational Technology Co., Ltd.* (海口常育教育科技有限公司) ("**Changyu**") and Haikou Changchunteng Qianyan Educational Management Co., Ltd.* (海口常春藤前沿教育管理有限公司) ("**Changchunteng Qianyan**") in relation to the acquisition of 100% equity interest in Changchunteng Qianyan at a total consideration of RMB15,000,000 (equivalent to approximately HK$18,402,650) (subject to any adjustment as set out in the Changchunteng Qianyan Agreement).

Changyu is primarily engaged in the investment in and management of education business. Changchunteng Qianyan is a company established in the PRC with limited liability and principally engaged in the operation of Haikou Changchunteng Kindergarten* (海口常春藤幼兒園) ("**Changchunteng Kindergarten**"), a kindergarten located in Haikou City in Hainan Province, which is a private non-enterprise organization wholly-owned by Changchunteng Qianyan. Changchunteng Kindergarten has an enrolment of approximately 250 students.

On 25 January 2018, the Group entered into a share purchase agreement (the "**Meihua Qianyan Agreement**") with Haikou Meizhi Huakong Educational Technology Co., Ltd.* (海口美智華控教育科技有限公司) ("**Meizhi Huakong**") and Haikou Meihua Qianyan Educational Management Co., Ltd.* (海口美華前沿教育管理有限公司) ("**Meihua Qianyan**") in relation to the acquisition of 100% equity interest in Meihua Qianyan at a total consideration of RMB10,000,000 (equivalent to approximately HK$12,268,433) (subject to any adjustment as set out in the Meihua Qianyan Agreement).

Meizhi Huakong is primarily engaged in the investment in and management of education business. Meihua Qianyan is a company established in the PRC with limited liability and principally engaged in the operation of Haikou Meihua School* (海口美華學校) ("**Meihua School**"), a boarding school providing elementary school service located in Haikou City in Hainan Province, which is a private non-enterprise organization wholly-owned by Meihua Qianyan. Meihua School has an enrolment of approximately 510 students.

On 25 January 2018, the Group entered into a share purchase agreement (the "**Meicheng Qianyan Agreement**") with Haikou Meicheng Zhishu Educational Technology Co., Ltd.* (海口美成智術教育科技有限公司) ("**Meicheng Zhishu**") and Haikou Meicheng Qianyan Educational Management Co., Ltd.* (海口美成前沿教育管理有限公司) ("**Meicheng Qianyan**") in relation to the acquisition of 100% equity interest in Meicheng Qianyan at a total consideration of RMB5,000,000 (equivalent to approximately HK$6,134,217) (subject to any adjustment as set out in the Meicheng Qianyan Agreement).

Meicheng Zhishu is primarily engaged in the investment in and management of education business. Meicheng Qianyan is a company established in the PRC with limited liability and principally engaged in the operation of Haikou Youth Service Center* (海口市青少年服務中心) ("**Youth Center**"), a youth service center located in Haikou City in Hainan Province, which is a private non-enterprise organization wholly-owned by Meicheng Qianyan. Youth Center has a capacity of providing training courses to students 10,000 times per year.

For details of these acquisitions, please refer to the Company's announcement dated 25 January 2018.

As at the date of this announcement, these acquisitions have not been completed.

Overseas Expansion

Overseas expansion is part of the Group's long-term growth strategy. We believe that a global presence of Maple Leaf brand schools will definitely help our student recruitment in China as Chinese parents recognise that Maple Leaf is able to offer a broader array of educational options for their children. In fact, the demand for bilingual English and Chinese education is growing not only in China but also in other regions such as North America and Southeast Asia. Accordingly, the Group will explore opportunities for opening more Maple Leaf brand bilingual schools outside mainland China such as Canada, Southeast Asia and along belt and road countries, where there is a demand for blending the best of Western and Chinese culture.

Upon graduation from our high schools, Maple Leaf students are admitted into a wide range of international universities principally in Canada, the United States, the United Kingdom, Australia and Switzerland. We opened a second Maple Leaf University School on the campus of Kwantlen Polytechnic University in Richmond, BC, in September 2017.

As interest to study in Australia among our students has increased rapidly, on 27 March 2018, the Group signed an agreement with The University of South Australia ("**UniSA**") to establish the first Maple Leaf University School in Australia. Maple Leaf University School – University of South Australia is expected to be opened in February 2019 at Mawson Lakes Campus of UniSA. UniSA is one of the leading universities in Australia and is ranked among the Top 50 young universities worldwide by both QS and Times Higher Education.

University Placements

The quality of Maple Leaf education is reflected in the achievements of our students. As of April 2018, 2,159 Maple Leaf high school students of the class of 2018 had received over 6,209 offers from universities in 12 countries. The quality of our university placements continues to improve. As of April 2018, 96 of our students had received offers from World Top 10 universities including prestigious University College London and Imperial College.

Grant of Share Options and Share Awards

The Board realizes the importance of the retention and attraction of talents who are able to make significant contributions to the Group. Accordingly, the Company has adopted various share incentive schemes including share option schemes and the Share Award Scheme. The Board believes that the commitment of our staff and teachers to Maple Leaf is encouraged by sharing our success with our staff and increasing the number of employee shareholders.

Subsequent to the end of the current interim period, the Board has resolved to grant share awards of a total of 6,674,000 and 50,000 shares of the Company under the Share Award Scheme respectively to certain eligible employees and a consultant of the Group, including our teachers, with certain vesting conditions. The Company will continue to make use of these schemes to attract, retain and motivate our Directors, senior management and employees.

Conclusion

As at 28 February 2018, deferred revenue amounted to RMB568.9 million, providing an indication of the amount that will be recognized as tuition revenue for the second half of the year ending 31 August 2018. It is also expected that additional revenue will be recorded from summer and winter camps, summer classes and graduation consulting services in the second half of the year ending 31 August 2018.

The growth of Maple Leaf is driven by these principal sources: (i) organic growth in our enrolment; (ii) tuition fee increment; (iii) expansion of our established schools; (iv) opening of new schools; and (v) acquisition of schools in both China and overseas.

We continue to employ a capital efficient expansion strategy in our openings of new schools. Of the 17 new Maple Leaf schools opened in the first half of the 2017/2018 school year, 14 campuses were either leased or asset-light schools jointly developed with local partners. 3 new schools opened in 2017/2018 school year were through acquisition.

FINANCIAL REVIEW

Revenue

The Group derives revenue from tuition fees for our high schools, middle schools, elementary schools, preschools and foreign national schools, the sale and lease of textbooks and other educational materials to our students, fees from our summer and winter camps, other educational services and revenue from other sources relating to the needs of our students including revenue from the self-operated supermarkets in our school campuses.

Total revenue of the Group increased by RMB148.6 million, or 30.7%, from RMB483.3 million for the six months ended 28 February 2017 to RMB631.8 million for the six months ended 28 February 2018. The increase was primarily due to the increase in revenue from tuition fees by RMB122.6 million and the increase in revenue from others by RMB26.0 million.

Revenue from tuition fees increased by 29.7% from RMB413.2 million for the six months ended 28 February 2017 to RMB535.8 million for the six months ended 28 February 2018, largely due to the increase in student enrolment by 37.2% and the increase in tuition fee rates of certain schools with effect from September 2016. Revenue from others increased by 37.1% from RMB70.0 million for the six months ended 28 February 2017 to RMB96.0 million for the six months ended 28 February 2018, mainly due to an increase in provision of school uniforms and an increase in providing other services.

Cost of Revenue

Our cost of revenue primarily consists of staff costs, depreciation and amortization, other training expenses and other costs. Staff costs consist of salaries and benefits paid to our teachers and other teaching staff. Depreciation and amortization relate to the depreciation of property, plant and equipment and the amortization of books for lease. Other training expenses relate to travel expenses and other expenses incurred in connection with our summer and winter camps overseas. Other costs include daily operating expenses of our schools and facilities, including the cost of furniture at our schools and the cost of maintaining our facilities.

Cost of revenue increased by RMB81.4 million, or 31.8%, from RMB255.9 million for the six months ended 28 February 2017 to RMB337.3 million for the six months ended 28 February 2018. The increase was largely due to an increase in teaching staff costs by RMB51.4 million, an increase in depreciation and amortisation by RMB5.7 million and an increase in other costs by RMB24.3 million.

Teaching staff costs increased by 32.8% from RMB156.7 million for the six months ended 28 February 2017 to RMB208.1 million for the six months ended 28 February 2018, primarily due to an increase in the number of our teachers from 1,999 as at 28 February 2017 to 2,634 as at 28 February 2018. Depreciation and amortisation increased from RMB22.6 million for the six months ended 28 February 2017 to RMB28.3 million for the six months ended 28 February 2018, primarily due to additional deprecation charge for our schools in Pingdingshan and Haikou started from September 2017. Other costs increased from RMB76.6 million for the six months ended 28 February 2017 to RMB100.9 million for the six months ended 28 February 2018, primarily due to an increase in the cost of sales of goods and educational materials to students.

Gross Profit

As a result of the foregoing, gross profit increased by 29.5% from RMB227.4 million for the six months ended 28 February 2017 to RMB294.5 million for the six months ended 28 February 2018. Our gross margin decreased slightly from 47.0% for six months ended 28 February 2017 to 46.6% for the six months ended 28 February 2018, primarily due to a slightly decrease in overall utilization rate of our schools.

Investment and Other Income

Investment and other income consists mainly of interest income from our bank deposits and short-term wealth management products, rental income from investment properties and government grants. Investment and other income decreased by 5.6% from RMB24.4 million for the six months ended 28 February 2017 to RMB23.0 million for the six months ended 28 February 2018.

For the six months ended 28 February 2018, government grants decreased by RMB1.4 million primarily due to less government grants received during this period.

Other Gains and Losses

Other gains and losses consist primarily of gains on the extinguishment of other payables and foreign exchange gains and losses. Other gains and losses decreased from a gain of RMB27.3 million for the six months ended 28 February 2017 to a gain of RMB22.1 million for the six months ended 28 February 2018. The decrease was mainly attributable to the combined effects of i) a loss on foreign exchange of RMB13.5 million as a result of issuance of 110,000,000 new shares during this period, and ii) an increase in a gain on the extinguishment of other payables by RMB17.0 million.

Marketing Expenses

Marketing expenses mainly consist of commercials and expenses for producing, printing and distributing advertising and promotional materials, and salaries and benefits for personnel engaged in selling and marketing activities. Marketing expenses increased by 18.1% from RMB11.1 million for the six months ended 28 February 2017 to RMB13.1 million for the six months ended 28 February 2018. Marketing expenses as a percentage of revenue decreased from 2.3% for the six months ended 28 February 2017 to 2.1% for the six months ended 28 February 2018, primarily due to a decrease in advertising and promotional expenses and student placement related expenses as a percentage of revenue.

Administrative Expenses

Administrative expenses consist primarily of the salaries and other benefits for general and administrative staff, depreciation of office buildings and equipment, travel expenses, employee share options and certain professional expenses. Administrative expenses increased by 1.0% from RMB73.0 million for the six months ended 28 February 2017 to RMB73.8 million for the six months ended 28 February 2018. Administrative expenses as a percentage of revenue decreased from 15.1% for the six months ended 28 February 2017 to 11.7% for the six months ended 28 February 2018, primarily due to effective expenses control.

Finance Costs

For the six months ended 28 February 2018, finance costs mainly represented interest expense for secured bank borrowings. Finance costs increased from RMB3.4 million for the six months ended 28 February 2017 to RMB4.9 million for the six months ended 28 February 2018 primarily due to the increment of interest rate for bank borrowings.

Profit before Taxation

As a result of the foregoing, the Group recorded a profit before taxation of RMB247.8 million for the six months ended 28 February 2018, compared with RMB191.6 million for the six months ended 28 February 2017. Profit before taxation as a percentage of revenue was 39.2% for the six months ended 28 February 2018, compared with 39.6% for the six months ended 28 February 2017.

Taxation

Income tax expense of the Group decreased from RMB10.9 million for the six months ended 28 February 2017 to RMB9.5 million for the six months ended 28 February 2018, mainly due to a reversal of deferred tax liabilities of RMB3.1 million. The effective tax rate of the Group for the six months ended 28 February 2018 and the six months ended 28 February 2017 was 3.8% and 5.7% respectively. The decrease in the Group's effective tax rate was primarily due to the reversal of deferred tax liabilities.

Profit for the Period

As a result of the above factors, profit for the period of the Group increased by 31.9% from RMB180.7 million for the six months ended 28 February 2017 to RMB238.4 million for the six months ended 28 February 2018.

Adjusted Net Profit

Adjusted net profit was derived from adjusting the profit for the period for those non-recurring items which are not indicative of the Group's operating performances. The following table reconciles profit for the period to adjusted net profit for both periods:

	Six months ended	
	28 February 2018	28 February 2017
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit for the period	**238,359**	180,655
Add:		
Share-based payments	**5,179**	4,167
Less:		
Government grants	**(3,142)**	(4,537)
Adjusted net profit	**240,396**	180,285

Adjusted net profit for the six months ended 28 February 2018 increased by RMB60.1 million or 33.3%. Adjusted net profit margin increased from 37.3% for the six months ended 28 February 2017 to 38.0% for the six months ended 28 February 2018, primarily due to the increase in revenue and decrease in marketing and administrative expenses as a percentage of revenue.

Capital Expenditures

During the six months ended 28 February 2018, the Group spent RMB93.2 million for the expansion of school campuses in Chongqing and Pingdingshan.

Liquidity, Financial Resources and Capital Structure

The following table sets forth a summary of our cash flows for the two interim periods:

	Six months ended	
	28 February 2018	28 February 2017
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Net cash used in operating activities	**(289,752)**	(219,994)
Net cash used in investing activities	**(315,380)**	(407,238)
Net cash generated from financing activities	**647,741**	360,956
Net increase (decrease) in cash and cash equivalents	**42,609**	(266,276)
Cash and cash equivalents at the beginning of the period	**1,649,296**	1,237,902
Effect of foreign exchange rate changes	**(27,678)**	2,755
Cash and cash equivalents at end of the period	**1,664,227**	974,381

As at 28 February 2018, the Group's bank balances and cash amounted to RMB1,664.2 million, of which the majority were denominated in RMB and HK$. Bank balances and cash increased mainly because the Group issued 110,000,000 new shares in January 2018.

As at 28 February 2018, the Group's bank borrowings were RMB411.8 million all of which were secured by the Group's bank deposits and investment properties.

The Group expects that its future capital expenditures will primarily be financed by its internal resources.

Foreign Exchange Exposure

The majority of the Group's revenue and expenditures are denominated in RMB, the functional currency of the Company, except that certain expenditures and liabilities are denominated in foreign currencies such as CAD, HK$, S$ and US$. As at 28 February 2018, certain bank balances and cash and liabilities were denominated in CAD, HK$, S$ and US$. The Group did not enter into any financial arrangement for hedging purpose as it is expected that foreign exchange exposure will not be material.

Contingent Liabilities

On 15 November 2016, the Company received a writ of summons from Hong Kong Zhixin Financial News Agency Ltd. ("**Zhixin**") seeking among other things, specific performance of the consultancy agreement (the "**Agreement**") between the Company and Zhixin by the allotment and issue of 7,000,000 shares of the Company to Zhixin, and damages in lieu or in addition thereof ("**Zhixin Case**"). On 28 November 2016, the Company filed with the High Court of the Hong Kong Special Administrative Region its acknowledgement of service of the writ and indicated its intention to defend the claim.

In December 2016, Zhixin took out an application for summary judgment against the Company. The hearing of the summary judgment application took place on 25 October 2017 in which Zhixin's application was dismissed. The case proceeds to the main trial stage.

On 29 January 2018, Zhixin filed its amended statement of claim to allege that it is entitled to 17,500,000 shares of the Company by virtue of an option (the "**Option**") provided in the Agreement. Zhixin Case is still in the process of filing pleadings by both parties.

Based on information currently available to the Company, it is not possible to estimate the outcome of the Zhixin Case. As of 28 February 2018, the Company has not made any provision in respect of the Zhixin Case. The Company will provide an update as and when there is any material development in this matter.

Pledge of Assets

As at 28 February 2018, the Group pledged a total bank deposits of RMB245.0 million and certain investment properties with an aggregate carrying amount of RMB319.4 million to certain licensed banks for certain bank facilities in the amount of RMB411.8 million.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

Save as disclosed above, the Group had no material acquisitions and disposals of subsidiaries during the six months ended 28 February 2018.

SIGNIFICANT INVESTMENTS HELD

As at 28 February 2018, no significant investment was held by the Group.

EMPLOYEE BENEFITS

As at 28 February 2018, the Group had 4,696 full-time employees (as at 28 February 2017: 3,717). The Group provides external and internal training programs to its employees. The Group participates in various employee benefit plans, including provident fund, housing pension, medical, basic pension and unemployment benefit plans, occupational injury and maternity leave insurance. The Company also has a pre-IPO share option scheme, a post-IPO share option scheme and a Share Award Scheme set up for its employees and other eligible persons. Salaries and other benefits of the Groups' employees are generally reviewed on a regular basis in accordance with individual qualifications and performance, the financial performance of the Group and the relevant market conditions. Total employee remuneration (including directors' remuneration) for the six months ended 28 February 2018 amounted to approximately RMB265.0 million.

USE OF PROCEEDS

The net proceeds from the Listing, after deducting underwriting fees and related expenses, amounted to approximately HK$881.4 million (equivalent to approximately RMB697.4 million) which is intended to be applied in the manner as set out in the section headed "Future Plans and Use of Proceeds" of the Company's prospectus dated 18 November 2014 and the Company's announcement dated 7 September 2015 relating to the change in use of proceeds.

As at the date of this announcement, the Company has applied the net proceeds as follows:

- approximately RMB209.2 million has been utilized towards the expansion of our school network, in particular by developing new schools on our own in major cities in China;

- approximately RMB69.8 million has been utilized towards the maintenance, renovation and upgrade of our existing schools, such as in our Dalian, Wuhan, Shanghai and Hainan campuses;

- approximately RMB181.3 million has been utilized towards the acquisition of schools in major cities in China (except for foreign national schools and preschools), the acquisition of schools outside China and the strategic investment in international school operators, to expand our school network;

- approximately RMB167.4 million has been utilized to repay our bank loans; and

- approximately RMB69.7 million has been utilized as our working capital.

The net proceeds from the placing and subscription of 110,000,000 shares of the Company, after deducting underwriting fees and related expenses, amounted to approximately HK$989.5 million (equivalent to approximately RMB813.8 million as at the date of completion, 17 January 2018) which is intended to be applied in the manner as set out in the section headed "Reasons for the Placing and the Subscription and Use of Proceeds" of the Company's announcement dated 12 January 2018 and in the section headed "Completion of the Placing and the Subscription" of the Company's announcement dated 17 January 2018.

- approximately 95% (representing approximately HK$940.0 million) is expected to be used as cash reserves for potential overseas acquisitions and payment of the related expenses; and

- approximately 5% (representing approximately HK$49.5 million) is expected to be used for other general corporate purposes to expand and enhance the existing business of the Company.

The unutilized net proceeds are generally placed in licensed financial institutions as short-term deposits.

EVENT AFTER THE REPORTING PERIOD

Subsequent to 28 February 2018, the Company granted 6,674,000 and 50,000 shares under the Share Award Scheme to certain eligible employees and a consultant of the Group, respectively.

INTERIM DIVIDEND

The Board has resolved to declare the payment of an interim dividend of HK$8.0 cents per share for the six months ended 28 February 2018 to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on 17 May 2018 (Thursday). The interim dividend is expected to be paid on or about 28 May 2018 (Monday).

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the interim dividend for the six months ended 28 February 2018, the register of members of the Company will be closed from 16 May 2018 (Wednesday) to 17 May 2018 (Thursday), both days inclusive, during which period no transfer of shares will be registered. In order to be qualified for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 15 May 2018 (Tuesday).

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value and accountability.

Compliance with the Corporate Governance Code

During the six months ended 28 February 2018, the Company has applied the principles as set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") contained in Appendix 14 to the Listing Rules and has complied with all the applicable code provisions, save and except for code provision A.2.1 which stipulates that the roles of chairman and chief executive should not be performed by the same individual.

Mr. Shu Liang Sherman Jen performs the dual roles of chairman and chief executive officer ("**CEO**"). The Board believes that by vesting the roles of both chairman and CEO in Mr. Shu Liang Sherman Jen, the Company derives the benefit of ensuring consistent leadership within our Group, which in turn enables more effective and efficient overall strategic planning for our Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively.

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices within the Company.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the six months ended 28 February 2018.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 28 February 2018, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

Audit Committee

The Company has established an Audit Committee with written terms of reference in accordance with the Listing Rules and the CG Code. The primary duties of the Audit Committee are to assist the Board by providing an independent view on the effectiveness of the financial reporting process, internal control procedures and risk management system of the Group, overseeing the audit process and performing other duties and responsibilities as assigned by the Board. The Audit Committee comprises three members, namely, Mr. Lap Tat Arthur Wong, Mr. Peter Humphrey Owen and Mr. Xiaodan Mei, all Independent Non-executive Directors. Mr. Lap Tat Arthur Wong is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited consolidated financial statements of the Group for the six months ended 28 February 2018 and has met with the independent auditors, Deloitte Touche Tohmatsu, who has reviewed the interim financial statements in accordance with International Standard on Review Engagement 2410. The Audit Committee has also discussed matters with respect to the accounting policies and practices and internal control adopted by the Company with senior management members of the Company.

PUBLIC FLOAT

The Company has maintained the public float as required by the Listing Rules up to the date of this announcement.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.mapleleaf.cn. The interim report of the Group for the six months ended 28 February 2018 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to shareholders in due course.

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

Hong Kong, 27 April 2018

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

* *For identification purposes only*